

# The National Underwriter

## LIFE INSURANCE EDITION

FRIDAY, OCTOBER 30, 1931



## WHAT MAKES A TOUCHDOWN?

Signals are called . . . the ball is snapped . . . out from that jumble of arms and legs dashes the man . . . down the field he tears . . . the fans go wild . . . it's a touchdown.

That touchdown was the result of teamwork, careful training and the development of individual players.

In the life insurance field Midland Mutual Agents are making sales touchdowns every day. The close cooperation of the home office with its

agency force . . . the sales training . . . the conservative management of the affairs of this company, these are the things that make Midland agents successful.

It takes training and teamwork to make a successful football player . . . it takes training and teamwork to make a successful life insurance agent.



We have several agency opportunities for the right men. If you feel that you can qualify address The Agency Department.

THE MIDLAND MUTUAL LIFE INSURANCE COMPANY  
COLUMBUS, OHIO

*"Its Performances Exceed Its Promises"*

# Capitalizing on Modern Efficiency



## ... James Fieldman Sells with Standardized Sales Talks

Making the minutes count is part of the creed of Jim Fieldman, the Pan-American Life man. His interviews arranged in advance through Pan-American prospect systems, he quickly launches into the sales talks prepared for him by his Home Office.

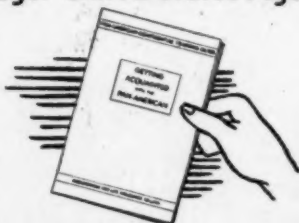
The standardized sales talk has won its place largely because it retains control of the interview for the salesman. Its inter-locking arguments following in close sequence and excluding outside ideas, it quickly reaches the prospect's final defense.

A series of proven standardized sales talks contained in one of the Pan-American's agency training booklets equips Jim Fieldman to handle easily the average interview. By using his Company's sales talks he substantially increases his income, capitalizing fully on the efficiency of modern sales methods.

**TED M. SIMMONS,**  
Manager United States Agencies

### "Getting Acquainted with the Pan-American"

Any Pan-American Manager or General Agent will send you a copy of this booklet or if more convenient you can secure one by mailing the coupon.



## PAN-AMERICAN LIFE INSURANCE CO.

**CRAWFORD H. ELLIS**  
President

NEW ORLEANS, U.S.A.

**E. G. SIMMONS**  
Vice-Pres. and General Manager

Ted M. Simmons, Manager United States Agencies,  
Pan-American Life Insurance Company,  
New Orleans, U. S. A.

Please send me a copy of the booklet "Getting Acquainted with the Pan-American".

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# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Fifth Year No. 44

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, OCTOBER 30, 1931

\$3.00 Per Year, 15 Cents a Copy

### Discuss Problem of Veteran Agent

Agency Officers Interested in  
Keeping Old Producers on  
Toes

#### SESSIONS ENTHUSIASTIC

Davies, Beers, Griffin, Hommeyer, Williams, Davies, McDonald Give  
Views—Cost Topic Up

The Association of Life Agency Officers opening its annual session at the Edgewater Beach Hotel, Chicago, Tuesday, was impressive as a young man's organization. Perhaps in no other insurance organization are young men so much in evidence. They seem to be an eager lot, not being convention hardened as are many of their older colleagues and the speakers enjoyed an acquisitive and attentive audience.

#### Jones Opens Session

Frank L. Jones, vice-president of the Equitable of New York, opened the sessions Tuesday afternoon with brief remarks, and presented H. G. Kenagy of the Life Insurance Sales Research Bureau who presided at that session.

Although most of the conventioners attended the conference on training problems Tuesday there were a good many interested in the concurrent session on branch office costs in home office at which the principal speaker was L. S. Morrison of the Research Bureau, the other speakers there being M. C. Terrill, Phoenix Mutual; H. L. Guy, Mutual of Canada; A. Kinch, Manufacturers of Canada, and Philip Burnet, president of the Continental American, who substituted for F. R. Gale of that company.

#### Training Established Agents

The first general topic at the conference on training problems was on training established agents, a subject inspired by the realization that the veteran producers are losing their grip in this period of adversity.

G. Fay Davies of the research bureau was the principal speaker. He said that training is the process of making the efforts of the life insurance agent more profitable. Training, he said, will pay for itself.

Training of new men, he continued, has occupied most of the attention of the business. The need for training new men is brought about because of the number of older men who are passing out of the picture. The agency manager who doesn't bring in new men will find his production slipping.

If new men, he said, produce 25 percent less, the total volume of the agency will ordinarily slip only five percent, while if the older men produce 25 percent less the total of the agency will

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### Sign Anti-Twisting Pact

Frank L. Jones of the Equitable of New York Reports to  
Life Agency Officers that 25 Companies Have Subscribed to Agreement to Check the Evil

Twenty-five companies have subscribed to an agreement "for discouraging the replacement of life insurance of one company by new insurance in another company." Vice-President Frank L. Jones of the Equitable Life of New York reported to the annual meeting of the Association of Life Agency Officers in Chicago.

Mr. Jones is chairman of a committee of the Life Agency Officers that has been sitting with a committee from the Life Underwriters Association of the City of New York to seek the abatement of the twisting evil.

#### Second Pledge

The agreement provides that companies insert in the next revision of their application form a question as to whether the new insurance is to take the place of outstanding insurance in the same company or in another company.

Secondly the signatory companies undertake to advise other interested companies in substitution cases. Another pledge is that a company, informed that an application is for insurance to replace coverage in another company, shall advise the original insurer and delay issuance of the new insurance for two weeks to give the original carrier opportunity to conserve the business.

The signatories undertake to keep a record of substitutions, both outgoing and incoming, so that an indication of the extent of the evil may be gained.

Those committed to the plan agree to educate their selling forces as to the advantages of retaining outstanding insurance and the disadvantage of surrendering it to be replaced in their own or other companies.

#### Names of Signatories

The signatories are the Aetna Life, Bankers of Iowa, Berkshire, Brooklyn National, Connecticut General, Connecticut Mutual, Equitable of New York, Equitable of Iowa, Fidelity Mutual, Guardian, Home of New York, John Hancock, Judea, Manhattan, Massachusetts Mutual, Metropolitan, Mutual Benefit, National Life of Vermont, New England Mutual, Penn Mutual, Phoenix Mutual, Provident Mutual, Travelers, State Mutual, and Canada Life.

In a communication to Walter E. Webb, chairman executive committee of the Life Agency Officers, the committee relates that many meetings were held during the fall, winter and spring of 1930-31. A plan was agreed upon by the joint committee and printed copies were sent to those at the original meeting. There were certain objections and, after further conference, a modified plan was arrived at.

Of the twenty-five signatories the committee reports that only seven have made any exceptions and they are minor exceptions, some of them eliminating term insurance from the agreement.

"There is no evil practice which needs

to be more definitely killed than that of the improper replacement of the business of one company by another," the committee asserts. "Usually twisted business is accepted by the new company without knowledge that a similar amount has just been surrendered in another. Recognizing the difficulty of proving such illegitimate transactions, it is certainly worth while to have as well planned cooperation to suppress it as can be established without running into serious operating difficulties."

The committee points out that although only 25 companies have signed, their amount of insurance in force is tremendous. The plan has not been submitted to those companies not operating in New York.

The terms of the agreement are as follows:

#### Cooperation Welcomed

(1) That companies that have not already done so, insert in the next revision of their application form, a question as to whether the new insurance is to take the place of outstanding insurance either in the same company or in another company. The question should be in a part signed by the applicant and also in the agent's certificate so that he may state his knowledge in the matter. Several companies have found by experience that the insertion of the question in the medical part of the application leads to more accurate information. Although each company is at liberty to place the question in either part signed by the applicant, the committee believes that the medical part is the better one for the purpose.

(2) The companies adhering to this plan welcome the greatest degree of mutual cooperation in connection with cases where substitution has either taken place or where there are indications that it may take place. Either company involved in a substitution case is encouraged to communicate at once with the other company to the end that steps may be taken to safeguard the interests of the policyholder and the companies. In

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### Commissioners to Meet at Dallas to Lay Plans

OKLAHOMA CITY, Oct. 29.—Insurance Commissioner Read, who is secretary of the National Convention of Insurance Commissioners, has called a meeting of the officers and executive committee at Dallas for Saturday to talk over the plans for the convention which will be held in that city next year. The entertainment features will be decided on and some of the program will be outlined.

### Insurance Differs from Other Lines

Frank L. Jones Gives Inspirational  
Message Based on Comparison

#### ADDRESSES AGENCY MEN

Merchandise of Commercial Business  
Perishable Goods—Merchandise of  
Life Insurance Imperishable Love

In paying tribute to the Life Insurance Sales Research Bureau, Vice-President Frank L. Jones of the Equitable Life of New York delivered before the annual meeting of the Life Agency Officers in Chicago his conception of the difference between life insurance and commercial business—the comparison being designed to encourage the selling forces in this period of adversity.

"The merchandise of commercial business is perishable goods. The merchandise of life insurance is imperishable love." That, according to Mr. Jones, is the capital difference.

#### Fluctuations Less Sharp

Mr. Jones observed that life insurance production does not vary either so sharply upward or downward as do other enterprises. "There is a steadiness in life insurance," he said, "which justifies a well founded confidence in its ability to weather all kinds of storms which affect our social and economic life." He pointed out that production of member companies of the research bureau in the United States for the first nine months of 1931 is 5 percent ahead of the average for the first nine months of the last 10 years and 9 percent ahead in Canadian companies.

Mr. Jones pointed out that about two-thirds of all of the payments by American life companies to their policyholders are to living policyholders. The last two years have demonstrated that life insurance is a sound investment; that it is more than protection—it is property; that there is an institution into which money can be put, where failures are practically unknown and where mere speculation is not used as a principle in any of its operations.

"Millions of people will certainly learn," he said, "that financial safety lies in slower and more substantial growth and that danger lies in the direction of speculation."

#### Points Out Differences

Then Mr. Jones began his statement of the differences between life insurance and other industries. "There are two great operating principles," he said, "which underlie the transactions involved in commerce; the theory of supply and demand and the program of profit and loss." Mr. Jones pointed out some weaknesses in the system of supply and demand, declaring that if it is to be a basic principle it needs modified control.

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## Tells How Agents Affect Mortality

Producer of High Standards Will Write Men of Same Caliber

### VIEW OF EQUITABLE MAN

Ray D. Murphy Says High Ethical Level Needed to Make Decisions Involving Immediate Profit

Agency officers, who are striving to have the companies represented by competent agents of high personal quality, are working for the betterment of the mortality of the companies as well as for greater service to the public, according to Ray D. Murphy, vice-president of the Equitable Life of New York, who addressed the Life Agency Officers in Chicago.

Mr. Murphy pointed out just how the agent is a factor in mortality. He stands in a position to detect or at least to suspect circumstances indicating an adverse risk. It is to his immediate profit to insure the applicant. What his choice will be depends on his ethical level and it is important that this level should be as high as possible, Mr. Murphy pointed out.

In addition to the influence of the agent in clear cut ethical problems such as this, the agent, according to Mr. Murphy, will unconsciously affect mortality by his own associations, which in turn are influenced by his own character.

#### Like Draws Like

"If the agent's own standards of conduct are high," Mr. Murphy declared, "he will tend to have friends and associates of similar character and will be likely to draw the majority of his business from people who lead conservative lives and whose word can be relied on in making their representation for insurance. As we know the mode of living of applicants and the reliability of insurance representatives are of the essence of sound mortality, can there be serious question that the agency forces of the companies are one of the determining factors in mortality?"

Mr. Murphy's topic was "The Influence of Self-Selection." The term self-selection, he defined, as covering those defects which result from the voluntary acts of applicants. There would be little necessity for selection by the companies, he said, if it were not for the self-selection of applicants. The theory is correct that a company could safely operate if it could insure all those who walk by a given spot on different days with the proviso that the public should not know or even suspect the place it chose for this purpose, or in fact that such an operation is in progress, lest the cripples spent their time walking about.

#### More Searching Selection

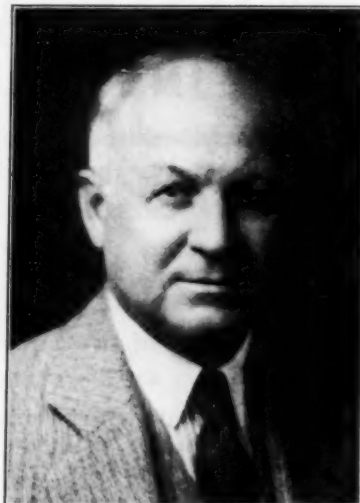
"More proficient self-selection must be met by more searching selection methods," he said. Self-selection depends upon the knowledge of the applicant of himself, the readiness with which insurance comes to his attention as an instrument of self-selection, and his capacity to give the appearance of meeting the selection requirements of the moment. An increasing popular knowledge of physical and mental ills and their significance, the unprecedented popularity of insurance, and a growing familiarity with selection technique has, he said, in recent years produced a situation which has given evidence that some of the methods need revising.

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## Preside at Chicago Meeting



WALTER E. WEBB, Chicago  
Chairman Executive Committee, Association of Life Agency Officers



FRANK L. JONES, New York  
Chairman Executive Committee, Life Insurance Sales Research Bureau

### Actuary Craig Gives Views on Unemployment Proposal

James D. Craig, actuary of the Metropolitan, whose interesting observations on a study of unemployment insurance in Europe were a feature of the American Life Convention at Pittsburgh, as a witness before the special U. S. senate committee investigating the subject, expressed opposition to federal legislation on unemployment insurance at this time. Mr. Craig said he is opposed to universal compulsory insurance against unemployment because no one plan has proved a sufficient solution to be recommended for widespread adoption.

He said all present plans are experimental. Mr. Craig said all types of unemployment are not predictable and therefore not insurable. It is his opinion that insurance is applicable only as a means of redistributing a man's income; that a man saves funds through life insurance to make available an income to his beneficiaries following his death, or to himself in later years. It would be unsound to pay an artificial income without reserve funds from which to draw, he said. Those who have no income to redistribute or who are already within the contingency insured against are not proper insurable risks.

He drew the conclusion that men who have no income now or who are out of work constitute a problem for society at large rather than for insurance. No unemployment insurance system could continue to pay benefits indefinitely, but if a limited period were set a sound insurance plan might be devised.

### Indianapolis Life First to Eliminate Disability

Just for the sake of keeping the record clear in the confusion of action on the disability income clause, it was the Indianapolis Life which crystallized sentiment by initiating retirement from this costly field. The Metropolitan, and then the Travelers followed suit very soon after, and the national significance of this action by two of the greatest companies in the rush of events more or less overshadowed the Indianapolis Life's prior action.

### Holman Finance Chairman for National Convention

SAN FRANCISCO, Oct. 29.—Arthur S. Holman, San Francisco manager for the Travelers, who was elected second vice-president of the National Association of Life Underwriters at Pittsburgh last month, has been appointed chairman of the finance committee for the 1932 convention of the National association in San Francisco.

At a meeting to form an organization to handle the convention, the officers of the local association organized a tentative skeleton program, under the supervision of President Ben F. Shaprow. The outline will be further developed in the next few weeks under the direction of Otto Zeus, assistant manager of the Travelers. Dr. E. L. Woodruff, delegate to Pittsburgh from this city and chairman of the committee which succeeded in obtaining the 1932 meet for San Francisco, gave a detailed report on his activities. Dr. Woodruff was given a vote of thanks for his efforts.

### New England General Agents Make Presentation to Hunt

A group of general agents of the New England Mutual Life representing the general agents' association gave a dinner in Chicago Monday evening in honor of George L. Hunt, former general agent at Hartford, the immediate past president of the organization, who has gone to the head office as an official in the agency department. Glover S. Hastings, superintendent of agents, and C. C. Collins, assistant superintendent, were present. W. H. Meub of Indianapolis, president of the general agents' association, presided. Mr. Hunt was presented with a watch on behalf of the organization, Edgar C. Fowler of Chicago making the address. In addition there were present Wilson Williams, New Orleans; C. N. Anderson, Des Moines; L. V. Van da Linda, St. Louis; A. L. Saltzstein, Milwaukee; Julius Meyer, E. B. Thurman and H. G. Swanson, Chicago. On Thursday evening the home office people gave a dinner for the four Chicago agents presided over by Mr. Hunt. The four general agents spoke as did one man from the producing ranks of each office.

Vice-President John D. Stevenson and Assistant Superintendent of Agencies Jefferies of the Penn Mutual Life spoke before a gathering of the agents of W. A. Alexander & Co. in Chicago Monday.

## Trained Managers Needed for Profit

Serious Lack Pointed Out by H. G. Kenagy of Sales Research Bureau

### EFFICIENCY IS PROBLEM

Only Beginning to See the Financial Returns from Really Competent Management

One benefit of hard times is plain speaking. "There seems good reason to believe that, in common with most other lines, our business is showing the ill effects of incompetent management," said H. G. Kenagy, of the Life Insurance Sales Research Bureau, in opening his talk at the meeting of the Agency Officers Association on the subject of "Developing Men for Agency Management."

"My thesis today is that many of our troubles arise from the incompetency of our field management and that the foremost problem for agency executives is the inauguration of a sound plan for insuring greatly increased managerial efficiency in the future.

"If time were available, I might set forth in detail the evidence of managerial incompetency, and the absence, generally, of a sound plan for improving the situation.

#### Annual Turnover Large

"The annual turnover among agency managers is at least 25 percent, judging from the records of 55 companies. One manager in four is replaced every year. Many agency officials describe their work as a continuous job of getting rid of one agency manager and finding another to take his place, in the hope, seldom fulfilled, that the change will put the agency on the road to success."

Mr. Kenagy in his talk dealt very completely with the problem of developing a reserve of qualified men from whom new managerial appointees could be chosen. "Obviously we are still paying tribute to the thoroughly exploded theory that the man who can sell can, ipso facto, manage an agency, though in some cases appointment of big producers suggests an effort to buy the volume which, presumably, they will continue to produce. Although worship of the personal producer and, to some extent, the personal producer's desire to acquire the title and presumed emoluments of the general agent or manager, have made agent-to-manager appointments a natural procedure, yet it is probably nearer the truth to say that our past course has been followed because of a general lack of method or machinery for securing men better equipped for the job. The only sources available have been personal producers and that nondescript group of men known as supervisors, district agents, unit managers, assistant managers and whatnot.

#### Need Has Been Recognized

"We have more or less clearly recognized the need for trained, tested managerial material but so far we have done little toward supplying the need. Of course, much of the reason is inherent in the fact that we busy ourselves too much with the daily problem of getting volume, running round and round in the circle that has no end. But perhaps a deeper reason is that we have never realized, as even now we are only beginning to see, the financial returns which come from really competent management.

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## Benefit from 1931 Seen by Dingman

Executive Says Analysis of Business Forced by Conditions Is Salutory

### CHALLENGES INSURANCE

Official of Continental Assurance in Inspiring Address at Wisconsin Insurance Day

The year 1931, contrary to comments usually to be heard, has been good for insurance. H. W. Dingman, vice-president and medical director Continental Casualty-Continental Assurance of Chicago, declared in an address at Wisconsin Insurance Day in Milwaukee.

He said insurance men this year have stopped taking things for granted; they are analyzing themselves and their business. They are putting intensive thought into their problems; searching for better ways to render service at less money; endeavoring to know their clients' needs and desires and to supply them. He believes intensive study like this is bound to bring about a great good.

#### Agency Heads Analyzing

Home office agency departments are making surveys of the kind of business received, sizing it up as to general grade, cost, persistency and the supervision which it requires. He said undoubtedly many agents have received insistent inquiries from their home offices regarding the caliber of their business, sometimes irritating inquiries, but he held that they were fortunate in having the kind of company that is investigating business so carefully; that these are times which require critical analysis.

Underwriting departments are viewing risks with added caution for suicides and accidental deaths have taken heavy toll. A tremendous hazard is the selection which applicants are exerting against the companies, especially applicants for large amounts, he said. Often applicants withhold vital information and if the companies do not learn of it

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## More Quitting Disability

Aetna Discontinues Income Clause, Equitable of New York Retains It with Modifications—Survey Gives Interesting Data on Tendencies Among Companies

Many disability changes were announced this week or appeared on the point of becoming effective. The Aetna is another large eastern company which has decided to quit disability income. The New England Mutual is another, President George W. Smith characterizing the clause as a "parasite" preying upon life insurance.

The Equitable of New York is one of the few companies which so far has elected not to quit disability income, but is sharply restricting the benefit in several respects. The Connecticut General likewise has decided to continue the income clause, but with even stricter limitations.

#### Equitable's Drastic Action

While the Equitable Life has decided not to discontinue the disability income clause, it will continue to write this cover only on men. The effective date is Nov. 9. Waiver of premium will be continued without, for the present, any increased rate.

A significant change is made, however, in limiting amount of disability income to \$250 a month, including existing insurance, a decrease from the \$500 a month of the past. The Equitable also after Nov. 9 will accept no applications for the income clause on men over 50, issuing only ages 15 to 50 inclusive. The present limit is 55. Maximum age limit for issuance of waiver of premium will remain at 55. No disability income will be issued on five-year term. The restrictions apply to all annuity policies incorporating the disability benefit.

#### George Washington Quits

The George Washington Life of Charleston, W. Va., is discontinuing income disability Nov. 1, President H. B. Smith announces. Waiver of premium will be continued. All outstanding business with applications for income disability written prior to Nov. 1 will be taken care of.

He said the George Washington adopted income disability with great hesitation and reluctance, only acceptance of "this unnecessary adjunct" of life insurance by practically all other companies forcing the company to issue it. "The results show we were right," he said. "All companies have lost large

amounts on account of this feature, and the benefits from it have gone in large part to malingeringers, who, under court decisions can go to bed and earn more than they can on their feet. Who pays these malingeringers? The honest policyholder who pays his disability premium, in good faith, and the unfortunate company which writes the income disability.

"It was not good policy in the beginning to write this feature and it is much worse now, when our courts have so liberalized the interpretation of what constitutes 'total and permanent disability,' that almost any ordinary illness or injury leads to a claim. I am delighted that other companies are recognizing the mistake made and are eliminating the clause, or charging excessive rates for same."

The Equitable's action serves to divide the companies at present in two camps—those which will write no disability income and those which write it with certain modifications and restrictions. It is persistently rumored that the New York Life and the Penn Mutual will follow the precedent of the Equitable. The Aetna several weeks ago announced action similar to that of the Equitable, so that after deciding to continue disability income on a reduced basis it now goes the whole way to complete elimination.

#### New York Life Report

The New York Life is understood definitely to have made the decision to continue the sale of income disability. If this is true, it seconds the action of the Equitable and Connecticut General in staying the general retreat of large eastern companies from the benefit. The New York Life is likely to introduce restrictions, along lines proposed in conferences of eastern companies during the summer and fall, and its underwriting undoubtedly will be substantially tightened.

It seemed for awhile as if income disability would be abandoned entirely in short order, but observers now believe that many companies will retain it. One executive makes the prediction that 50 percent of the companies will continue to sell the clause, but that of that 50

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## Medical Test of Agent Is Needed

Dr. Cook Terms It Unfair to Send Handicapped Man Into Field Today

### TELLS OF LATEST TRENDS

National Authority Presents Views at Chicago Meeting of Life Sales Research Bureau

There is a wealth of opportunity for cooperation of medical and agency departments in a congenial working partnership, Dr. H. W. Cook, vice-president and medical director Northwestern National Life, declared in his address on "Medical Underwriting Trends as They Affect Agency Affairs," given before the Life Insurance Sales Research Bureau in its Chicago meeting this week.

Dr. Cook said there are unlimited opportunities opening in the scientific field of selection, business administration of office routine, and in a most helpful service to society through preservation of health and lengthening human life, in all of which the agents can help greatly.

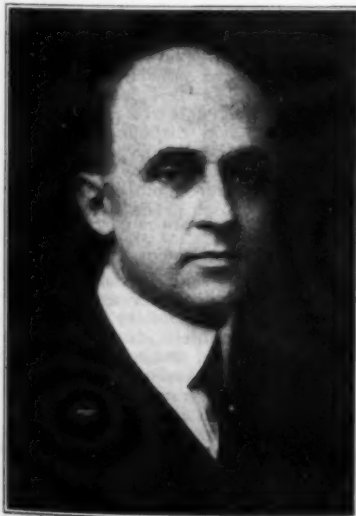
#### Scientific Methods Used

"No modern industry is more indebted to science for its origin and development than life insurance," he said, "and none is being guided more skillfully by scientific methods towards increasingly successful growth and service."

"Especially during the past two decades with the growth of the basic science of psychology, life insurance salesmanship has rapidly developed into a true profession with a definitely synthesized scientific background, this period culminating in the C. L. U. standards and degree. No influence has been as strong or as constant for this elevation of life insurance salesmanship standards as the Life Insurance Sales Research Bureau—and I want to felicitate and compliment John Holcombe and his competent associates on their real contribution to our great industry."

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## AGENCY OFFICERS GROUP SESSION LEADERS IN CHICAGO



DR. T. C. DENNY, Des Moines  
President Central Life of Iowa



S. F. CLABAUGH, Birmingham  
President Protective Life



H. M. HOLDERNESS, Hartford  
Vice-President Connecticut Mutual



L. J. EVANS, Davenport  
Assistant Secretary Register Life

## Creative Cutting of Expense Urged

L. S. Morrison Advises Increasing  
Production; Improving Quality  
of Clerical Force

### MORE ANNUAL PREMIUMS

Increase Average Premium Per Policy;  
Improve Persistency of Business  
and of Organization

In his address "Branch Office Costs" before the Life Agency Officers in Chicago, L. S. Morrison of the Life Insurance Sales Research Bureau declared that reduction of expense can best be accomplished by a well directed, scientific attention to the factors which produce profit. If the agency executive who would operate at lower cost merely attempts to cut down salaries and to reduce or eliminate certain items of expenditure, he may wreck his organization.

Mr. Morrison listed seven objectives: To maintain or increase production; to improve the quality of the clerical force and to increase the output of their work; to increase the proportion of annual cash premium collections; to increase the average premium per policy; to improve persistency of business; to improve persistency of organization; to increase the average annual production of agents.

#### Adequate Volume

Mr. Morrison said that adequate volume does not mean the greatest volume which can possibly be obtained by unsound, high pressure methods without regard to the limitations of the company or of its territory. Such a policy leads to high cost as surely as does inadequate production. One of the great dangers is the establishment of excessive overhead under the burden of which a company must struggle to obtain a volume of business which is economically unsound. The company with too much overhead, Mr. Morrison compared to the man caught short on margin in a falling market. The agency officer may have excellent ideas as to the selection of agents, but if he is forced by circumstances to contract with an unreasonably large number of agents in an unreasonably short space of time, his selective sense may be behind him.

Clerical and office efficiency, according to Mr. Morrison, depends upon the character, ability and morale of the human beings who do the work.

Collection frequency has an important effect upon the cost of maintaining old business, he said. A high frequency can to some extent be brought down by converting partial premiums to an annual basis, but in the last analysis frequency depends primarily upon the type of agent and the way in which he sells his business.

#### Renewal Expense Ratio

The renewal expense ratio may be shaved either by reducing costs or by increasing value, but the greater possibilities lie in the direction of increasing policy size.

"The necessity of persistency as a factor in low cost should be obvious," Mr. Morrison declared. "We believe that many agency men do not realize the extent to which persistency does affect cost. If we assume that it costs 25 percent of new premiums to sell and issue business in the branch office and 2 percent to maintain it, then the total cost of a unit of business, expressed as a percentage of premium income therefrom, may vary from 25 percent to

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## Management Section Officers



JOHN H. DOMELLE, Chairman

Two entirely new officers were elected for the home office management section of the American Life Convention, Secretary John H. Domelle of the Canada Life being made chairman and W. Nelson Bagley, assistant actuary of the Travelers, secretary of the section. Mr. Domelle's business life has been entirely associated with the Canada Life. He entered the service of the company in 1903 as a junior clerk. In 1916 he was appointed chief accountant and in 1920 was made assistant secretary. This year he became secretary. He was recently elected a director of the Life Office



W. NELSON BAGLEY, Secretary

Management Association that held its annual meeting in Toronto.

Mr. Bagley was born in Randolph, Vt., June 18, 1886. He graduated from high school and from the University of Vermont. He joined the Travelers in 1913 as a clerk in the life actuarial department. In 1919 he was made assistant actuary. Mr. Bagley has been in close touch with the life reinsurance business for many years and is well known to the officers of companies throughout the country and has visited the home office of many. He has made many convention addresses.

### President Moir Gives Causes Back of Business Depression

Henry Moir, president United States Life, who has been president of the Insurance Institute of America, in his address at the annual meeting stated that the economic condition of business is uppermost in the minds of the people at present. He sketched the occurrences of recent years, noting the trends to discover what the future has in store. He held that an important contributing cause for the present state is the reduction in the gold supply accentuated by the amount locked in the vaults of this country and France. Reduction in real estate values, he said, began three or four years ago.

C. R. Pitcher, formerly deputy manager of the Royal Fire, was elected president; William BroSmith, vice-president Travelers, first vice-president, and E. R. Hardy, assistant manager of the New York Fire Insurance Exchange, secretary and treasurer. W. J. Graham, vice-president Equitable Life of New York, was elected as one of the governors.

### United States Supreme Court to Review Disability Decision

Among the decisions to be reviewed at the present term of the United States Supreme Court is one by the fifth circuit court of appeals, which held that failure of a policyholder to notify the company of his disability in order to utilize the disability income provision does not deprive the beneficiary of the right to the benefits provided under the clause. The case was appealed by the Peoria Life. The company voided a policy for non-payment of premiums and one day before the grace period expired the company was indirectly advised of the insured's disability. The company contended that "satisfactory proof" of disability had not been presented.

### Darby Day Resigns Position with Old Line Life on Coast

LOS ANGELES, Oct. 29.—It was announced this week that Darby A. Day had resigned as Pacific Coast agency supervisor of the Old Line Life of Milwaukee. Mr. Day arrived here from Chicago and opened offices for the Old Line Life. He had been Chicago manager of the Mutual Life of New York and later of the Union Central Life. Later he was in promotional work organizing insurance companies which collapsed. Mr. Day does not know just what line of work he will take up in the future. Frank Davenport, agency director of the Old Line Life, is now on the coast arranging for a successor. Mr. Day scarcely got started in the work but made one trip to the Pacific Northwest and San Francisco.

### Brooklyn Life Men Winners

Ralph Teare, cashier of the home office of the Brooklyn National Life, has won third prize in the life insurance course (Part II) conducted by the Insurance Society of New York. Last year L. E. Beardslee of the Brooklyn National led the class in this course and William Beardslee, also of the same company, was a close second.

### New Policy for Women

The Pacific Mutual is issuing a "Pacific Feature-D" policy to women members of policyholders' families only, which is similar to the well known "Pacific Feature" contract issued for some time, but in addition carries a death benefit. The standard unit is \$2,500 accidental death benefit, \$5,000 principal sum for loss of sight, etc., and a \$500 medical reimbursement clause, but no weekly indemnity, the Class A rate being \$18.75. This is issued between ages 18 and 60. The same contract with medical reimbursement feature increased to \$1,000 costs \$23.75.

## Travelers Policy as to Accident

Secretary Ahern Explains Agreement Made to Get Class on  
Adequate Basis

### RATES MUCH TOO LOW

Too Many Frills Have Been Introduced  
Without Proper Premium Being  
Charged for Them

Secretary John E. Ahern of the Travelers accident department in a talk to the Chicago agents this week said that the underwriting loss on accident business with the commercial companies last year was 3 percent and was 2 percent the year before. The loss cost he said has been increasing rapidly during the last 10 years. This, he said, can be attributed to new features added by companies without extra charge. For instance the principal sum was increased from \$5,000 to \$7,500. The limit of 200 weeks was often extended to life. The double indemnity clause was extended to include all common carriers and then to airplanes. The automobile and street hazards have increased enormously. He said the time has come when charge must be made for these extras.

#### Companies Agree on Program

Companies in the Bureau of Personal Accident & Health Underwriters have been holding meetings and have agreed to simplify the policies and standardize the provisions. The new program will go into effect next year, maybe Jan. 1 or not later than March 1, the time not yet having been decided. The policies will be revised and the rates increased. There is no mandatory action as to renewals. So far as these are concerned each company is left to its own judgment. He said that the Travelers does not contemplate at this time any change as to its renewals.

#### Will Get Adequate Rates

The insuring clause, he said, will include only accidental means. The total disability clause will remain as it is. For partial disability 40 percent will be paid and the limit will be 26 weeks. He said that this agreement was reached by companies that are writing \$50,000,000 in commercial premiums. Almost all the important companies are parties to the agreement, he said. A committee of actuaries and underwriters has been appointed to rate specific hazards. Companies can write such policies as they choose with various forms of coverage but these policies will be rated accordingly. In this way Mr. Ahern said that inadequate rates will be eliminated. He said that undoubtedly this action will assist agents in cutting down their lapse ratios because an old policyholder cannot drop out and get his insurance in a high grade company at his old premium.

#### Reimbursement Policies

Chicago, he said, is the second largest accident premium agency of the Travelers in the country. During the first nine months of this year the agency produced \$60,000 in premiums. Of the 75 leaders nine are in Chicago. In Chicago the Travelers has 14,500 accident policies in force.

Mr. Ahern was introduced by Vice-president Armstrong as the coinventor of the reimbursement policy. This policy eliminates death and weekly indemnities and confines itself to hospital, nursing and medical expense. He declared there is a big field for the sale

(CONTINUED ON PAGE 11)



## Valuation Question Still Big Topic for Discussion

### MAY REQUIRE TWO FORMS

**Dunham's Insistence on Dec. 31 Basis  
May Necessitate Different Filing in  
Connecticut Than for Other States**

NEW YORK, Oct. 29.—Lively discussion is still heard in insurance offices regarding the decision of the committee on valuation of securities of the National Convention of Insurance Commissioners to accept as valuations for 1931 statement purposes quotations as of June 30, instead of those of Dec. 31. There is much speculation as to the number of companies that will take advantage of the concession, particularly as Commissioner Dunham of Connecticut is upon record as declaring that in so far as his department is concerned, he will insist on Dec. 31 figures. If the Connecticut commissioner adheres to this stand, it apparently will mean that two forms of statements will be filed, one using Dec. 31 quotations for Connecticut and one based on June values for the other states. This will prove embarrassing, as it will make difficult the comparison of results as between the different companies, and it is a foregone conclusion that the record of competing offices will be scanned this year as they have never been before.

#### Special Circumstances to Govern

It is not the general understanding that the departments will accept June 30 values for every company. The basis will be varied, as Superintendent Van Schaick of New York points out, "as special circumstances demand." This is construed to mean that where a casualty company, for example is concerned, if its assets of Dec. 31 values disclosed it without a surplus, the department would look very carefully into the character of its reserves to insure their adequacy, and would then likely suggest refinancing, either through the transfer of a part of capital to net surplus, or the paying in of additional funds. The New York department allows a capital impairment up to 25 percent before demanding that the depletion be made good within 90 days.

While it is the prevailing belief that all or practically all of the fire companies will be able to "make the grade" this year, regardless of the great shrinkage in security values, their net surplus accounts are bound to show a marked falling off, influenced in some degree by the character of their securities.

#### Life Companies Less Affected

The life companies are not particularly interested in the change in valuation dates, as they are allowed to value their bond holdings, which constitute a considerable percentage of their total investments, on an amortized basis. Such stocks as are held are those that have not been disposed of under the "Hughes" laws, or that were purchased under authority granted by statutory amendment several years ago. Mortgage loans, one of the main sources of investment by the life offices, are restricted to two-thirds of the appraised values, and appraisals are on a very conservative basis.

Should there be any substantial recovery in the stock market by the end of the year, companies will doubtless prefer using valuations as of Dec. 31 instead of the permissible June 30 figures, realizing that if they adopt the former it will be used to their detriment by offices taking quotations of the former date.

#### COMPROMISE BASIS IS URGED

The request of 30 Canadian life companies that the Dominion superintendent authorize a compromise basis of security valuations for the 1931 statements

is endorsed by the "Financial Post" of Toronto.

"The need of such an adjustment," the journal states, "is obvious, for there seems little doubt but that many companies which are otherwise in excellent condition would find their surplus nominally wiped out if they were forced to retain the arbitrary ruling of the Dec. 31 valuation of millions of dollars of first class bonds and stocks which have been cut momentarily to sacrifice levels by the drastic decline in security values."

The "Financial Post" observes that there is a question whether Superintendent Finlayson has power to authorize a compromise basis and suggests that enabling legislation may have to be enacted.

#### Amount of Securities

The value of securities of Canadian companies that would be affected amounted at the end of 1930 to something more than a half a billion dollars, this newspaper points out. The paper makes a point that life insurance company disbursements in the last ten years have taken less than 60 percent of annual income, which means the life insurance investments do not have to be realized to carry on a successful business.

Unless there is an adjustment, the "Financial Post" declares that there will be discrimination in favor of those companies which hold large amounts of farm and urban mortgages. Since there is no method of making an accurate monthly or annual appraisal of such securities, companies are allowed to put them in at a book value with a result that unless the company wishes to do some bookkeeping on its own accord there is no obligation in a time such as this to write these investments down to the low value which would undoubtedly be shown if an actual inventory valuation were to be taken as if at the end of the year.

## Cuts Down on the Privilege

**New England Mutual Is Limiting Some  
of the Features in Single  
Premium Policies**

The New England Mutual Life has notified its agents that on and after Nov. 1 single premium policies of whatever form or duration will be issued without the stipulated right to leave surrender values under the special options of settlement. This is interpreted as meaning that the company does not desire to have the responsibility of holding money for policyholders, leaving it with the company merely to secure safety plus 3 percent guaranteed interest and plus a share of whatever the company earns over and above the 3 percent. Under the existing agreement policyholders have been receiving 4 3/4 percent with the option to call for surrender value at any time.

## Five Agents From One Office Are National Life Leaders

Of the ten leading agents of the National Life of Montpelier, for the first nine months, five are members of the E. B. Hamlin agency of Cleveland. Griswold Wilson of this agency leads the National's entire field force, and second on the list is C. C. Gilman of Boston, known the country over as the Will Rogers of life insurance. Mr. Gilman, in constant demand as a speaker before the various life underwriters' associations, has been on the national convention program for a number of years.

John T. Bryson of Manchester, N. H., third on the list of the leading ten agents, has 87 policies to his credit for the first three-quarters. Mr. Bryson, who has always been able to find a surprising number of prospects in the granite hills of his native state, already holds two cups, each of which was awarded him for writing the largest number of policies in two out of three years of any agent.



**GOOD SHIPS:** Only "stormy weather" really tests the safety of ships and financial institutions. Well-managed life insurance companies have come through every "storm"—every test—safe and staunch. For example, for 86 years, since it was founded in 1845, New York Life has weathered all Wars, Epidemics and Financial Crises:—The Mexican, Civil, Spanish-American, and World Wars;—The scourges of yellow fever, cholera and influenza;—The panics and depressions of 1857, 1861, 1865, of the 70's, of 1884, 1893, 1896, 1903, 1907, 1914, 1920-21 and 1929-1931. In all these years New York Life has never failed to meet an obligation.

## NEW YORK LIFE INSURANCE COMPANY

51 Madison Avenue, Madison Square

New York, N. Y.

# N<sup>W</sup>NL

## General Agents

have been

## Selected

with the

## Greatest Care

N<sup>W</sup>NL wants for general agents, only those men who have the capacity to build substantial agencies. It is a company for which large agencies can be built, as has been proven repeatedly. Candidates for new general agencies are carefully selected. No one is appointed to such a position of authority and responsibility until he has visited the Home Office in Minneapolis.

Perhaps this explains why N<sup>W</sup>NL has fewer general agencies than any company of its size—and more big ones. To a remarkably great extent N<sup>W</sup>NL agencies are either big or on their way to substantial size. A general agency contract with this company is a valuable franchise.



### NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

**STRONG ~ Minneapolis, Minn. ~ LIBERAL**

### Tenth Anniversary of the Life Sales Research Bureau

TRIBUTE PAID BY F. L. JONES

Greetings Are Brought to the Meeting  
by Representatives of a Number  
of Organizations

The Wednesday session of the annual meeting of the Association of Life Agency Officers started with an address by F. L. Jones, vice-president of the Equitable of New York, who paid high tribute to the Life Insurance Sales Research Bureau on its tenth anniversary. Mr. Jones' remarks were far from being of a perfunctory and congratulatory nature, the tribute leading him to state further many of his philosophic conceptions.

After Mr. Jones' address there were greetings by R. G. McDonald of the Canada Life in behalf of the Canadian Life Officers Association; Judge Byron K. Elliot, general counsel, American Life Convention; Roger B. Hull, managing director, and Elbert Storer, president, National Association of Life Underwriters.

John A. Stevenson Spoke

The next speaker was H. G. Kenagy, assistant manager of the Research Bureau, a summary of whose remarks appear in another column. He was followed by John A. Stevenson, vice-president of the Penn Mutual, who listed a number of qualities which he considers essential in a manager. The first requisite is character, absolute fidelity to facts and accuracy being insisted upon. Unselfishness is vital. He must be a fair business man without necessarily being perfect in the technicalities of operating an office. He should have a tinge of evangelism inasmuch as he is performing a real service and not merely working out schemes for the distribution of so many pounds or yards of a commodity. He must be proficient in the technique of his calling, that is, he must know life insurance and must know how to impart its fundamentals to others. He must be something of a driver in order to encourage men to do what they should do to make a living in the business and lastly he should like people.

Personal Side of Management

Mr. Stevenson emphasized the personal side of management and said it is one of the most elusive characteristics to teach in a training school. He favors managerial training schools and said they will be successful if the right men are selected to take the course and the home office has the courage to give the men responsibilities after they have completed the course.

Following Mr. Stevenson every man in the convention hall was introduced. The final feature of the morning was the report of the committee on man power and production.

At noon there were four divisional meetings according to the size of the companies and in the middle of the afternoon the convention reconvened as a whole to hear a report of the special investigating committee headed by Oliver Thurman of the Mutual Benefit.

### U. S. Supreme Court Decision in Colgrove Case Cleared

C. W. Colgrove of Chicago states that the United States Supreme Court in its recent decision has not decided against the "Mutual Estates Association" plan of selling life insurance which he represents. He said that the high court has not decided one way or another regarding the Mutual Estate Association's plan. It denied the petition for a writ of certiorari and which was filed by Mr. Colgrove, which he says compels him to

### Gives Up Two Berkshire Offices in Central West



LEON A. TRIGGS

Leon A. Triggs, who for the past two years has handled two big city agencies each with two branch offices for the Berkshire Life, will leave that company Jan. 1. His plans are not announced, although it is reported that after a vacation he may be expected to announce a connection of considerable importance.

Mr. Triggs entered life insurance 14 years ago, and for 13 years has been general agent for Minnesota, with branches in St. Paul, Winsted, and Alexandria, and for the past two years also general agent in Illinois at Chicago, with branches at Elgin and Rockford.

He started the Minnesota agency practically from scratch as it was a new agency with only one man and about \$14,000 premiums while in the Chicago office he doubled the forces in two years and installed new methods which have proved highly successful.

Active Association Worker

Both in Minneapolis and Chicago he has been active in association work. He served one year as vice-president, two years as president of the Minneapolis association, and one year as chairman of the executive committee; during the latter two years also as National executive committeeman. He sponsored two successful sales institutes, made frequent sales addresses, and wrote numerous sales articles both in connection with life insurance and the life-trust movement. He served two years as chairman of the Trust Company-Life Insurance Round Table and president of the Minneapolis Managers Association.

Early C. L. U. Graduate

Mr. Triggs has been an active worker and supported of the American College of Life Underwriters, having been in the first 19 to receive the C. L. U. degree. He is not only a successful salesman but also has ability to organize and train others. Last year he made weekly trips between Minneapolis and Chicago, managing his two agencies. Last year he moved his family to Winnetka, Ill., as the Chicago field demanded more of his time. The Berkshire has made no announcement as to his successor or successors in Chicago and Minneapolis.

adopt a different legal procedure in order to obtain a decree from that court on the legality of the plan. He says it is his intention to continue the litigation until such a decision is reached. He says, however, that he will not invite additional memberships to the Mutual Estates Associations until the issue has been adjudicated by the United States Supreme Court.



## Companies Cautious Now on Accepting Reinsurance

ARE ASKING MANY QUESTIONS

Vice-president Laird of Connecticut General Gives Interesting Reactions Before Actuarial Society

Underwriting standards and agency ambitions of the originating company are most important factors in considering reinsurance. John M. Laird, vice-president Connecticut General, told the Actuarial Society of America at its White Sulphur meeting. If a sudden change is made towards more liberal or stricter supervision, a lag of about five years in actual mortality may be expected.

Other vital factors to consider, he said, are the following statistics:

### Method of Analysis

1. An underwriting analysis for each month and year showing the number and amount—(a) submitted facultatively; (b) bound automatically; (c) paid for; (d) bound automatically on which the reinsurer would have declined or given a higher rating; (e) bound automatically on which the reinsurer would have given a lower rating; (f) issued but later recalled or rescinded because of subsequent unfavorable information.

### Comparisons Suggested

2. Coinsurance ledger accounts—(a) giving the asset shares for the first 20 years on typical plans and ages based on the present dividend schedule and a suitable mortality—for instance, American Men Select; (b) comparison of each asset share with the corresponding cash value including final dividend.

3. Actual mortality of each company as compared with the American Men Select.

4. The surplus or deficit at the end of each year for each company—(a) with full reserve; (b) with a modified reserve to allow for heavy initial expenses such as first commission.

### Mortality Is Increased

In the last three or four years, the mortality on big risks and therefore on policies large enough to require reinsurance has been relatively high. One important factor has been the number of suicides directly traceable to financial reverses. Apparently the rate of suicide is connected with amount of insurance in force, as the proportion due to suicide is lowest on group where the average amount is small and highest on reinsurance where the aggregate on each life is large.

In reinsurance, while suicide was an important factor, undoubtedly many other deaths were indirectly due to worry, discouragement and lowered resistance, even though the cause was given as some form of circulatory disease such as angina pectoris, apoplexy, or coronary thrombosis.

### Watching Jumbo Risks

As a result of the recent unfavorable experience on large policies, most companies are now underwriting jumbo risks more carefully, Mr. Laird said. The original company knows the source of business, the type of agent, and the qualifications of the medical examiner.

The reinsurer sees a cross-section of the underwriting of many good companies and is particularly sensitive to features which may be overlooked on a small application but are significant on larger risks. On a specific case it may have additional information in an accident file or the papers of another life company. On business submitted simultaneously to several companies, it can act as a clearing-house of information for all.

The reinsurer is no longer justified in following blindly either the underwriting or the claim settlements of the

## Analyze Reasons for Opposing Licensing of Bankers As Agents

A statement of the reasons for opposing the writing of life insurance by banks or their officials, which will be of great interest to life underwriters generally, has been put out by the Jackson (Mich.) Association of Life Underwriters in connection with its fight to prevent the licensing of bank officials in that city. The statement says:

1. The sole purpose of a bank in contracting with a life insurance company to underwrite loans is to force the protection of its own insurable interest, at an additional profit to itself and at the expense of the borrower. It is of course desirable that a borrower underwrite his loan whenever possible, but with his banker as life insurance agent he would be placed in a false position and the bank would enjoy a monopoly of this class of business.

### Further Extension Inevitable

2. Even though it may be the avowed purpose of the bank requesting license to underwrite only loans of the smaller class, it is extremely unlikely that the lure of additional profit will fail to bring about inclusion of larger and still larger loans, followed by the insuring of officers and employees, relatives and friends. The insurance company with which the bank is contracted will certainly not be satisfied with writing only the small policies covering \$50 to \$300 loans on the poorest class of borrowers in this or any other community. Pressure would be brought to bear on such banker agents to write large policies and a better and more profitable class of business. The tendency would be positive and inevitable.

3. If banks are permitted by law to engage in the life insurance business the public will suffer very definite losses:

(a) Because of its nature life insurance is very largely sold—not freely purchased. Clients or prospects of properly

equipped life underwriters will put off the purchase of life insurance with the plea, "I can buy it of my bank," with the result that many contracts important to potential purchasers and beneficiaries may never be written. All experienced underwriters understand the insidious possibilities of this excuse.

### Can't Give Best Service

(b) Bank officials are not and will not be equipped as qualified underwriters to render thoughtful and thorough service. As life insurance estates increase in importance, proper planning and service rendered by trained, experienced underwriters become increasingly important to the creators of such estates. Proper life underwriting is a profession impossible to develop as a sideline with financial interest the only issue.

(c) Bank records, including checking accounts, loans, sight drafts, security purchases, savings accounts, statements, life insurance trust accounts and accounts of regularly qualified life underwriters would provide for the bank officials an interesting and enticing source of life insurance prospects, with the additional advantage of often holding over the prospects the effective weapon of force. This would offer unequal advantage as against properly equipped underwriters and tend to deprive the insuring public of their best services.

(d) The best interest of life insurance owners is and will be served by such action on the part of the department of insurance, the life insurance company, agencies and associations as will bring about most quickly and effectively the development of highly trained underwriters of the best type to write all life insurance contracts thoughtfully and intelligently. Any tendency for banks to enter the business will delay such development to the positive loss of present and potential policyholders.

## Bankers Reserve Life Opens Its Second Chicago Office

The Bankers Reserve Life of Omaha has opened a second office in Chicago, at 160 North La Salle street. The company entered Illinois only a few months ago. Manager O. J. Classon, state supervisor, opening an office in the Burnham building, Chicago, in July, yet his staff now is producing about \$200,000 a month. There now are three Illinois offices. Mr. Classon is managing the new LaSalle-Wacker building office and A. S. Roe the other. Mr. Classon is an old Penn Mutual man, having been Buffalo manager for that company and also in the P. H. Kramer agency of the Penn Mutual at Milwaukee. He has had about 14 years' experience. Mr. Roe formerly was connected with the State Mutual in Chicago.

original company, however small or however large. It has an obligation to both companies to watch every case and make constructive suggestions, he said.

Reinsurance has served a useful purpose in facilitating the placing of a large line, Mr. Laird said. It has been passing through a period of readjustment and curtailment but the improvements already made or pending indicate a brighter future. The modern treaty covers the principal questions likely to arise and it is customary to interpret it as a "gentlemen's agreement." With continued good faith and cooperation on all sides, reinsurers will be in a position to render greater service and the original companies will be equipped to handle the large policies which will be required when the nation becomes more prosperous.

## Oklahoma Supreme Court Holds Contract Terminable

OKLAHOMA CITY, Oct. 29.—A contract of employment which does not by its terms fix any period or duration between the parties, with its duration indefinite, may be terminated by either party at any time, is held in an opinion by the Oklahoma supreme court. This decision is given in the case of T. F. Foster, Oklahoma City, who appealed from a judgment in the Oklahoma county district court given the Atlas Life. Mr. Foster went to work for the Atlas in November, 1925, and was discharged in June, 1926. He entered the service of the company on a stipulated salary monthly with extra compensation on business produced under his management. The contract was both written and oral, according to the record, though it was not disclosed that any definite tenure had been mentioned.

Mr. Foster sued the company for \$100,000. When it came to trial the court took the case from the jury, rendered judgment for the defendant, and Foster appealed to the high court. The latter sustained the lower court. The high court held that where there was no definite statement in the contract as to the tenure of the employee, the relations could be discontinued at any time by either; that if the employee became discontented and wanted to quit, there was nothing to prevent him doing so, and also that if the employer became dissatisfied with the employee the right to discharge was mutual.

### Lustgarten Agency Entertains

A. G. Borden, second vice-president Equitable Life of New York, who was in Chicago this week attending the

## Hunter Reviews Study of Medically Impaired Risks

ACTUARY GIVES CONCLUSIONS

Wide Mortality Variation Sometimes Found Between Standard and Substandard Cases for Same Ailment

Marked effect of selection of risks discerned in the medical impairment study of 1929 was commented on by Arthur Hunter, vice-president and actuary New York Life, at the White Sulphur meeting of the Actuarial Society of America. He said mortality in standard and substandard cases for the same impairment sometimes was widely apart.

He said it is evident if one company accepted a small proportion of the risks with a certain impairment, taking only the best of the business, while another accepted such risks freely with extra premiums, the mortality on the former would likely be distinctly better than among the latter.

### Combining of Experience

He suggested that instead of the next investigation being joint, studies should be made of experience of individual companies with approximately the same standards of selection and similar practices in conducting their business. He stated that experience of two companies which had done standard business alone might be combined and also experience of two companies with a long record of having issued both standard and substandard business on a broad basis.

Mr. Hunter said investigations of life companies have shown that persons with moderately high blood pressure have a distinctly higher mortality than those with normal blood pressure, and apparently the mortality is higher than many practicing physicians realize. He also emphasized the high mortality among persons with a heart murmur who have a history of rheumatism.

### Study Effects of Work

For the first time an investigation was made according to the type of work (light or heavy) in the case of policyholders with a certain type of heart murmur. It was shown that mortality was distinctly higher among carpenters, bricklayers, farmers and others of that class than among those in clerical and managerial service and in retail stores. Greater knowledge of tuberculosis has resulted in a lower mortality than formerly in the case of persons who had a history of that trouble.

Previous investigations were confirmed with regard to a history of syphilis. The mortality in the groups selected ran from 41 percent to 63 percent above the average. With regard to pulse rate, mortality was distinctly low among persons with a rate of from 55 to 65 per minute, while it was 41 percent above average for those with a rate of 90 to 100.

meeting of agency officers, was given a luncheon by the Samuel Lustgarten agency in Chicago. It was reported that the Lustgarten agency shows a gain of \$500,000 in business over the similar period last year. Mr. Borden spoke to the subject, "What Goes on in a Business Sales."

### W. B. Sims

The Atlantic Life announces the appointment of W. B. Sims as general agent at Dallas, with a number of outlying counties included in his territory. For ten years he was cashier of the Dallas office of the Aetna Life and during the past year had been engaged in production work for this company there. He has already under new duties with the Atlantic with offices at 1617 First National Bank building.



## Travelers Home Office Men Address the Chicago Agents

### ARMSTRONG WAS IN CHARGE

Assistant Actuary Hoskins Told About  
the Selling Features of Some  
of the Contracts

The Travelers life and accident organization in Chicago was dined Monday noon as four officials were present from the home office. E. B. Dudley, manager, arranged for the dinner and introduced Vice-President H. H. Armstrong, who took charge of the meeting. Mr. Dudley stated there are 435 whole time agents in Chicago and all but two were present at the luncheon, these were ill. Howard Preston representing the branch office agents and Earl Walker, assistant manager, representing the general agencies, presented Mr. Armstrong with applications secured in two days' time amounting to \$1,000,000.

#### Speakers at the Meeting

The speakers were Vice-President B. A. Page, Secretary John E. Ahern of the accident department, and Assistant Actuary J. E. Hoskins of the life department. Lloyd Hill presented Mr. Ahern with \$3,000 in accident premiums as the result of two days' work. Vice-President Page in his talk said that agents need not confine themselves to one kind of insurance but had the opportunity of handling all lines. He said that there is business somewhere and it is up to the agents to get it. He declared that man-power counts. The courageous agent, even though he gets "licked" once in a while soon stands on his feet and goes on.

Secretary Ahern told about the accident program for the coming year and the numerous changes that have been decided.

#### Talk by Assistant Actuary Hoskins

Mr. Hoskins said that agents are adapting themselves to new conditions. People, he declared, want security and sound investments these days. The single premium investment policy is proving a real seller. The deferred retirement income based on a single premium is being sold in large amounts. He said that the Travelers is getting out a new contract giving immediate returns annually on a single premium. There is an annual guarantee of 4.15 percent at most of the ages. There is no reinvestment of the principal. In case of death the principal is returned. He said there is a high collateral value to this policy, it ranging from 95 percent the first year upward, increasing each year. He said that the largest investment policy of the year was sold by Marsh & McLennan of Chicago, the premium being \$1,000,000.

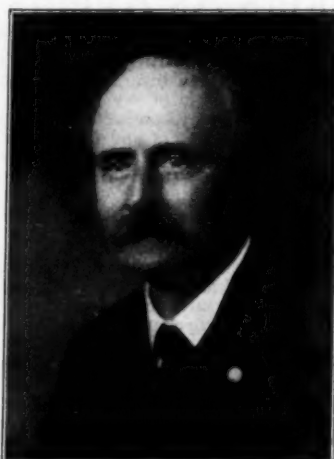
#### Smaller Policyholders in Mind

Mr. Hoskins said that the Travelers is not giving its entire attention by any means to those that purchase big policies for investment only. The family income trust agreement, he said, is one that is adapted very nicely to men with children. Then again the educational policy is a very practical one. For instance he said for insurance of \$6,803, in case of death of the policyholder \$25 a month is offered while a child is in grade school, \$50 in high school and \$100 in college.

Mr. Hoskins said that the income disability feature had been a source of trouble. It had delayed passing on applications. At times applications were rejected for life insurance because they could not pass muster for disability and there has been more or less friction in settlement of claims.

Mr. Armstrong declared that the old standards are up for revision. After years of business intoxication, people are getting down to earth. He said

## Silver Jubilee



C. A. MARSHALL

C. A. Marshall of Cleveland, was honored recently with a banquet in celebration of his 25th anniversary with the Western & Southern Life. Over 100 representatives attended and were addressed by C. F. Williams, president, Judge Wm. H. Lueders, of the Hamilton county probate court, and other executives. Mr. Marshall was presented a gold watch and emblem by the company whose service he entered in 1906. He was born in England in 1862 and later was in the life insurance business in Erie, Youngstown, New Castle, Detroit and Canton.

## Important Agency Changes

### California-Western States Life Announces Number of Shifts and Appointments in Offices

The California-Western States Life announces some important changes in agencies. In Los Angeles there are three agencies established. First there is the Los Angeles agency with manager George H. Page in charge. Next is the Sunset agency with Howard H. Hoyt as manager and the Central agency with E. T. Gilbert in charge. They will operate in the county as metropolitan open territory offices. In Sacramento county there are two offices, they being the home office agency under Fred J. Johns and the Sacramento agency with G. C. Nissen. The former is located in the home office building in Sacramento and the latter in the Insurance building. Each manager has a number of outside counties. H. L. Higby has become agency manager for the San Jose agency with offices in the St. Claire building. C. M. Clary, who was formerly California State Life manager at San Jose, is now head of the Cecil M. Clary agency for institutional financing, opening offices in the home office building at Sacramento. H. E. Johnson, formerly assistant to Agency Manager Nissen of the Sacramento agency, has returned to personal production at his own request. R. C. Swain succeeds him as agency organizer. He has for the last two years been in northern California. G. T. Carmona, agency manager in the Russ building at San Francisco, has resigned. The offices in Fresno have been consolidated in the Griffith-McKenzie building with M. E. Long as manager.

that agents are getting their second wind and will go as strong as ever. In 10 days in Chicago there was \$5,500,000 insurance written which proves that the business can be gotten. He said that there is an average of \$7.12 more premium per application in the Travelers this year than before.

## Strengthening of Surpluses Now an Important Objective

### TIME OF STRESS AHEAD

Agency Officers Told to Teach Their  
Men to Talk Soundness and  
Permanency

"I must frankly confess that I feel that this is the time for radical action to be taken by our life insurance companies; that they should have the courage to put into effect a marked decrease in dividend scale with the definite intention of showing a marked increase in the ratio of their undivided surplus and contingency returns to the assets of the company."

This was the declaration of J. G. Parker, actuary of the Imperial Life of Canada, in his talk at the Agency Officers meeting at Chicago this week on "Actuarial Trends as They Affect Agency Department Activities."

#### Decrease in Free Surplus

Mr. Parker pointed to the decrease in free surplus of several groups of companies of undoubted strength whose stability is unquestioned. These averages were prepared by taking companies whose business is distributed and whose head offices are situated throughout all sections of the country. In the first group the percentages of average free surplus ran as follows: 1927, 6.46 percent; 1929, 6.40 percent; 1930, 5.84 percent.

In another group, where the free surplus was even larger, the figures show a greater decline, as follows: 1927, 8.23 percent; 1929, 7.23 percent; 1930, 6.71 percent.

In a combined group involving some of the companies already included the percentages were as follows: 1927, 6.67 percent; 1929, 6.18 percent; 1930, 5.74 percent.

#### Dividends Were Increased

During these years, said Mr. Parker, in a large number of the companies there has been an increase rather than a decrease in the dividends paid to policyholders.

"This is not a problem which affects alone the treasurer or actuary of a company, but it is a problem in which as agency officers you must cooperate in arriving at the solution. I feel that as executive officers of our companies we must be seized with the importance of conserving strength regardless of the endeavor to pay the largest dividends. We must train our salesmen not to talk net cost, and this applies both to participating and nonparticipating companies, but to talk stability, security and permanency of investment."

#### Unfavorable Factors Cited

In leading up to these conclusions Mr. Parker pointed to the terrific lapse rate with a heavy rate of surrender; the decrease in the rate of interest earned on investments; the definite increase during the past two or three years in the rate of mortality; the low prices for basic commodities with the effect on land values and also on the values of urban property; the readjustments in industry, involving values of all classes of railroad, public utility and industrial bonds, and even the stress on the values of all classes of government securities.

#### Warren Colby Dies

Warren Colby, agency supervisor for the W. H. Meub agency of the New England Mutual Life at Indianapolis, and who was formerly associated with the Franklin of Springfield, was found dead in his hotel room at Springfield this week. Death was due to heart attack. Mr. Colby graduated from the Springfield high school in 1910 and went to work at the head office of the Franklin Life. His brother, Ralph L. Colby, is Franklin Life general agent at Indianapolis.

## Medical Directors in Annual Muster Discuss Jumbo Risks

### CHRISTIERNIN IS NEW HEAD

Scientific Aids in Selection of Large  
Applications Should Be Welcomed  
by Agents

The electrocardiograph, x-ray, and other scientific aids to selection in jumbo cases should be welcomed by the agent and not viewed as a means of rejecting more cases, it was revealed at the annual meeting of the Association of Life Insurance Medical Directors in Hartford. It was found that where these instruments had been used it was possible to accept many cases which would otherwise have been turned down, and that the net results indicated that their use resulted to the advantage of the agent. The jumbo risk problem was the principal subject of discussion at the meeting.

Dr. C. L. Christiernin of the Metropolitan Life was elected president, succeeding Dr. R. L. Rowley of the Phoenix Mutual Life. Other officers are: Dr. L. G. Sykes of the Connecticut General, first vice-president; Dr. H. C. Scadding, Canada Life, second vice-president; Dr. E. G. Dewis, Prudential, secretary; Dr. A. O. Jimenis, Metropolitan Life, treasurer; Dr. R. A. Fraser, New York Life, editor of proceedings.

Members of the executive council are Dr. S. B. Scholz, Penn Mutual; Dr. Morton Snow, Massachusetts Mutual; Dr. E. F. Russell, Mutual Life of New York; Dr. Ross Houston, Bankers Life of Des Moines; and Dr. C. T. Brown, Prudential.

## Berkshire Life's Club Rules

### Announces New Requirements for Qualification for 1932 Convention—Six Cups Offered

The Berkshire Life has announced new requirements for attendance at the 1932 Rhodes Club convention, including not only \$150,000 paid business on a minimum of ten lives but also an additional requirement of certain standards of persistency for the previous year's business. Credits toward meeting the qualification requirements may be earned by agents through bringing new men into the business.

Three new corps have been instituted, the "Millionaire Corps," members paying for \$1,000,000 or over; the "Half Million Corps," \$500,000 or over, and the "Century Corps," for those who pay for 100 or more lives.

The president's cup is offered by President F. H. Rhodes for the largest amount of paid first premiums; Barker cup, by Vice-president John Barker, for the largest number of lives reported; Amber cup, by Vice-president H. L. Amber, largest number of paid lives, pro-rated on the basis of length of service; Davenport cup, by Secretary R. H. Davenport, for bringing into the business the largest number of men who are still with the company at the end of the club year; Dewey cup, by Treasurer J. C. Dewey, Jr., largest amount of paid first premiums, on the basis of length of service; Winings cup by Superintendent of Agencies J. S. Winings, for the lowest lapse rate on business written in the previous club year.

The business of the Berkshire Life the last three months shows an increase over the same months a year ago.

President D. F. Houston of the Mutual Life of New York accompanied Victor Emanuel Orlando, war-time Premier of Italy, when Mr. Orlando was shown through the New York Stock Exchange recently. Mr. Houston and the former premier have been friends for some years.



## NEWS OF THE COMPANIES

### Report on Mississippi Valley

Statement as of Sept. 30 Shows Improved Condition Following Merger With First National Life

The Mississippi Valley Life of St. Louis had admitted assets of \$4,318,068 as of Sept. 30, 1931, a report on the company's condition as of that date shows. It had \$100,000 capital and \$148,484 surplus. Insurance in force was \$37,000,000, including about \$16,000,000 of industrial.

The Sept. 30 statement reflects the merger of the Mississippi Valley Life with the First National Life of St. Louis as of Aug. 18, 1931, and the recommendations made by the Missouri, Illinois and Oklahoma departments in approving the merger. This statement is in marked contrast with the results of a convention examination of the Mississippi Valley Life as of Dec. 30, 1930, which increased its non-admitted assets from \$85,637 to \$112,667 and reduced its surplus from \$50,463 to \$22,818.

The present officers have taken steps to remedy all of the conditions criticised in the report of Feb. 13, 1931.

#### Peoples Life Items Questioned

Among the assets not admitted in Sept. 30 statement were many items arising from the reinsurance contract with the Peoples Life of Chicago. Included were premium notes and policy loans in excess of net value in policies on Peoples Life of \$15,868; Peoples Life mortgage loans in excess of 50 percent of appraised value \$15,500; Peoples Life collateral loans in excess of lien and appraised value \$192,584; Peoples Life stock in excess of lien and appraised value \$65,000 and Peoples Life cash in insolvent bank in excess of lien and appraised value \$1,220. The deal with the Peoples Life was made by the former management of the Mississippi Valley Life. A gradual improvement in the items included in the non-admitted assets is anticipated.

J. F. Dickmann is now president of the Mississippi Valley Life; T. J. McCann, executive vice-president, and E. G. Rolwing, Jr., secretary-treasurer. Since the merger the new officers have been endeavoring to operate the company along the same lines as used by Mr. Dickmann in building up the First National Life. Under his management that company despite the general business depression made a very fine showing for an industrial company.

### Good Showing for 9 Months

Northwestern Mutual Life Presents Some Interesting Comparisons With Results Last Year

MILWAUKEE, Oct. 29.—New business written by the Northwestern Mutual Life the first nine months of 1931 totaled \$225,443,075, a decrease of approximately 12 percent from 1930 figures. New premiums, however, were only 3.3 percent less, while renewal premiums exceeded those of 1930 by 2.9 percent.

Insurance in force increased \$71,462,000 to \$4,100,380,000 for the year ending Sept. 30, 1931. Death claims paid in the nine months were \$33,111,449, an increase of \$3,309,141. Dividends to policyholders were \$31,841,204, an increase of \$1,471,834.

New policy loans and increases made on old loans were \$43,639,343, an increase of 38.8 percent. Policy loan repayments, however, were \$24,269,822, \$7,256,035 or 42.6 percent more than in the same period last year. The net increase in policy loans was \$19,369,520, making an aggregate of \$191,326,162 in policy loans outstanding Sept. 30, 1931, an increase of 17.1 percent. Mortgage

loans, representing 42.24 percent of total assets, show an increase of \$1,346,515, making a total of \$411,150,306 of such loans on hand Sept. 30, 1931.

The gross assets Sept. 30 were \$973,348,530, an increase of \$45,316,968 over Sept. 30, 1930.

#### Ohio State Life

The volume of life insurance issued by the Ohio State Life the first nine months of 1931 was as great as for the corresponding period last year, President John M. Sarver reported to the directors at their quarterly meeting. Mr. Sarver said that the business outlook generally is steadily improving.

#### Pension Plan for Rotary

Rotary International, through the Metropolitan Life, is providing a retirement pension program for its employees. The cost of retirement benefits based on past service will be borne by the employer entirely. Cost of benefits based on service after July 1, 1931, will be borne by both employer and employee. Normal retirement age will be 65 for

men and 60 for women. The maximum retirement benefit is \$6,000 and the minimum \$600, the amount pending on salary and length of service. The retiring employee may, by accepting a smaller pension, have it continued at his death to a widow or other dependent. There are liberal cash values in case of death or withdrawal from service.

### Elimination of Accounting in Agencies Saves Expense

Elimination of agency accounting has reduced agency cost of new business by 50 cents per \$1,000 for the Continental American Life, according to F. R. Gale, comptroller of that company. Mr. Gale described the system at the Chicago meeting of the Agency Officers Association.

The home office must duplicate most of the agency accounting anyhow, and doing the work for the branch offices has increased home office expense less than \$1,000 a year, in the Continental American. The only accounting required of the agency is a daily report of bank deposits and withdrawals. The home office renders the manager a daily statement of account, going from detail to profit and loss and balance sheet, so

that he is constantly informed on his agency finances without effort on his part.

Every conceivable means has been adopted to eliminate detail. The policyholders notice suffices for details regarding premium payments. Copies of voucher checks explain the nature of disbursements. The bank deposit slip is automatically prepared as a carbon copy of a portion of the cash report.

The problem was approached from the field standpoint. Most agency accounting systems are devised by home office men, to get what they want. The new system was devised to relieve the agency of everything possible except actual selling and service to policyholders. Profits of managers has been increased 10 percent by the saving in agency costs.

#### Appoint Football Star

Marshall Duffield, the football star of the University of California, has joined the California-Western States Life agency at Los Angeles under Manager Howard H. Hoyt. At the Santa Monica high school Mr. Duffield was coached both in football and baseball by Assistant Agency Manager M. J. Berg of the Hoyt agency.

Jordan's book, "Investments," one of the "C. L. U." list, can be obtained from The National Underwriter. \$4.90.

## Congratulations,

## Pilot's Industrial Department



## Upon That Wonderful Anniversary Month Record

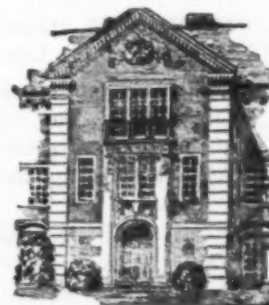
This, Gentlemen, is Achievement Indeed!

During September Pilot's Industrial Department attained an all-time record upon a per man basis in collections, net increase, monthly premium, and ordinary.

When such a record is established in times like these, we are proud to let it be known throughout the insurance world. We are justifiably proud of the calibre of these "Pilots to Protection" who made it possible.

It was the 11th anniversary of the founding of Pilot's Industrial Department, so fittingly marked by September production.

PILOTS TO PROTECTION



SINCE 1903

PILOT LIFE INSURANCE COMPANY

GREENSBORO, N. C.

CHAS. W. GOLD, President

## Organized Visual Selling Kit

The enormous advantages of Organized Presentations and of Visual Selling Material are no longer questioned.

The Visual Selling Kit used by field men of the Federal Reserve Life contains, among other material, complete organized visual sales presentations for: (1) Clean-Up Fund; (2) Family Income; (3) Educational Provision; and (4) Retirement Income.

The proper use of such material is explained thoroughly at the REGIONAL AGENCY MEETINGS, regularly scheduled at strategic points in Ohio, Michigan, Indiana and Illinois.

### THE FEDERAL RESERVE LIFE INSURANCE COMPANY KANSAS CITY, KANSAS

Mr. Frank M. Hayes, Vice President—Agency Director  
Federal Reserve Life Insurance Co., Kansas City, Kans.  
Sir: I am interested in joining a progressive Agency Organization and will appreciate further information about your Organized Visual Selling Kit, Regional Agency Meetings and other modern Agency plans.

Sincerely,

Name .....

Address .....

## AS SEEN FROM NEW YORK

### RADIO STATION NOT AN AGENT

Magistrate Weil of the city magistrate court of New York City in the case of People vs. International Broadcasting Corporation holds that broadcasting, giving information as to insurance premium with request for ages of listeners so that a sample copy could be sent, does not constitute such a procurement or solicitation of insurance as to render the broadcasting corporation liable for violation of section 56 of the New York insurance law regarding solicitation for unadmitted companies. The insurance department filed the complaint.

Magistrate Weil holds that "the voice merely gives information the same as any newspaper advertisement does. Surely an advertisement in the newspapers cannot be construed as an agency where in the newspapers the agents are advertisers." The broadcasting corporation was advertising the Union Mutual Life of Des Moines, not authorized in New York. Testimony was given to the effect that this company issues policies cheaper than a similar form of insurance in other companies. A comparison of rates was quoted and the age of the hearers' birthday was requested over the radio.

\* \* \*

### WOFFORD HAS SALES SCHOOL

A life insurance school is being conducted in the offices of H. L. Wofford, manager of the Manhattan ordinary agency of the Prudential, 90 John street. "Scientific Prospecting" is the first subject to be presented and after it has been thoroughly covered there will be further discussions on "Standard Sales Presentation."

The classes, which are held on Tuesdays and Thursdays from 4:30 to 6 p.m., are closed to independent brokers—those who do not have their offices in a general agency organization of a life company.

\* \* \*

### C. B. KNIGHT HONORED

C. B. Knight, general agent of the Union Central Life in New York City, attained his 67th birthday Oct. 24, and in honor of the event members of the agency inaugurated a 40-day business campaign on Sept 14, as a result of which applications for \$7,607,619 insurance was secured, this amount being \$1,020,807 in excess of the business obtained in the same period last year. Needless to remark Mr. Knight, who is one of the most popular life underwriters in the metropolitan territory, was deeply touched with the outcome of the special effort.

\* \* \*

### ATTEND REGIONAL MEETING

H. G. Henderson, assistant manager of the life department of Johnson & Higgins, and a party of insurance brokers attended the New York regional meeting of the Prudential at Atlantic City last week. The party included E. J. Hart, Nelson Post 2nd, D. M. Findlay, and Mr. and Mrs. G. L. Wagner. Johnson & Higgins are general agents for the Prudential and the Home Life of New York.

\* \* \*

### GOT 44 "APPS" IN ONE DAY

The J. S. Myrick agency of the Mutual Life of New York received 44 applications in one day recently, most of them from its full time men. This is a high figure even for boom times. Eight of the apps were from one man.

### LIFE INSURANCE AS A PROPERTY INVESTMENT

"It will revolutionize Life Insurance selling" says one Company President. Exclusively and completely developed only in the New Training Course, "The Essentials of Life Underwriting," by Abner Thorp, Jr. Published by The Diamond Life Bulletin, 425 East Fourth Street, Cincinnati, Ohio.

### Production Manager for C. L. McMillen Agency



G. L. HILL

NEW YORK, Oct. 29.—G. L. Hill, an independent writer who paid for several millions of new business in the first nine months of this year, is becoming production manager for C. L. McMillen, general agent here of the Northwestern Mutual Life.

Mr. Hill is one of the outstanding life insurance men in New York and was one of the first two men here to receive the C. L. U. degree. He will have charge of the selection and supervision of new men joining the McMillen agency, which recently moved into the entire 11th floor of 347 Madison avenue.

Mr. Hill is a native of Des Moines. His father was treasurer of the Central Life of Iowa and his grandfather was president of that company. Soon after leaving college Mr. Hill went into life insurance but joined the marines when the United States entered the war. He emerged as first lieutenant. For four years following the war he worked in London, becoming sales manager for an American export manufacturer. He married in England and returned to New York in 1923.

Here he joined the Hall-McNamara agency of the Penn Mutual Life as brokerage supervisor, and when that partnership was dissolved joined the J. C. McNamara general agency of the Guardian Life of New York. In 1929 he resigned as production manager to take up personal production and July 1, 1930, resigned from the agency to enter business for himself as an individual personal producer, placing business with all companies. He has not only written large cases but has been a consistent worker, maintaining an average of a case a week since starting in business for himself in 1929.

### Scheider Bridge Chairman

J. C. Scheider, superintendent the Prudential at Broadway and 207th Street, New York City, was chairman of the New York state committee at the opening of the George Washington bridge across the Hudson river Saturday and was one of the speakers at the celebration on the New York side which preceded the ceremonies in the middle of the span. Mr. Scheider is president of the New York Interstate Hudson River Bridge Association, which he formed seven years ago to promote public interest in the bridge and get through legislation which would make its construction possible.



## Accident Company Officials Seeking to Cut Down Waste

WILL HOLD A MEETING NOV. 9

Some Points Which Those Writing  
Quarterly Premium Business Hope  
to Have Adopted

There have been a number of discussions on part of some of the life company officials that are writing quarterly premium accident and health insurance. At the meeting of the American Life Convention at Pittsburgh hotel lobby discussions started and they were continued this week by some of the officials in Chicago attending the Life Agency Officers' meeting. There has been much getting together in recent weeks on part of insurance companies writing various classes of business in order to cut down waste and eliminate destructive practices. A meeting of all such life companies will be held in Des Moines Nov. 9. As a result of that meeting it is hoped that the twisting of business and agents can be greatly minimized. Companies have been bringing out policies with new provisions and their agents have been seeking to replace policies of other companies.

Some of the leaders in the business feel there should be unanimity of opinion on the insuring clause both for accident and disability. They also feel that each company should maintain the same set rate up to age 60 and that there should be an increased level rate from 50 to 55. After that it is recommended that the indemnity decrease 10 percent a year to age 65 when it ceases. There is no movement to have uniform rates for all companies.

## Anti-twisting Agreement

Is Signed by 25 Companies

(CONTINUED FROM PAGE 1)

some instances a company may find that the interest of the policyholder requires that the new policy be taken up and the transaction cancelled.

(3) When a company shall receive an application for new insurance which apparently will replace outstanding insurance in another company, it shall promptly notify the other company and shall delay the issuance of the new insurance for at least two weeks so that it may hear from the other company and the other company may have opportunity to conserve its business. If a company shall learn that a replacement of its insurance has been made or is contemplated in another company, it shall feel at liberty at once to notify the company involved.

(4) Each company will keep a record of the amount and kind of insurance in cases where inter-company substitution, either attempted or consummated, has occurred involving in any way its own insurance. By so doing it will be possible in the course of time to gauge the extent of the evil or this kind of substitution and to have a better idea than at present of the changes that could advantageously be made in the plan herein formulated. In keeping the record of cases there should be separate classifications for incoming and outgoing insurance.

(5) Companies are encouraged to take effective steps to educate the members of their agency force to the advantages of retaining outstanding insurance and to the disadvantages of surrendering it to be replaced by a like amount of new insurance in their own or other companies. A large proportion of such transactions results from lack of information and understanding on the part of the policyholder; and wrong and often misleading advice on the part of the agent.

(6) Any company having subscribed to this plan may withdraw its adherence by giving written notice of its intention to withdraw to the secretary of the Life

Agency Officers Association. Furthermore, any company wishing to adhere to this plan in general but unwilling at present to subscribe to the entire program may do so by noting at the bottom of this form the exceptions it desires to record.

Other members of the committee representing the Life Agency Officers were G. H. Chace, Prudential; K. A. Luther, Aetna; M. A. Linton, Provident Mutual Life; J. S. Myrick, Mutual Life manager in New York City, is chairman of the New York association's committee.

## Travelers Policy as to Accident

(CONTINUED FROM PAGE 4)

of this insurance. Often when a person is determined to drop his regular policy he can be salvaged for a reimbursement policy. Mr. Ahern said that there is a large field for accident insurance for women. Many companies now are selling policies to housewives without weekly indemnity and they are finding a ready sale. The average premium of the accident policy a few years ago was \$28 and now it is \$40 because men are taking larger limits and bigger policies.

## Creative Cutting of Expense Urged

(CONTINUED FROM PAGE 4)

3.5 percent, depending upon the number of years the business stays on the books.

"As another means of reducing expenses, a reasonable sum should be spent for production and the manager should see to it that he gets value in return. Men should be trained to be more permanent and the recurrent expense of hiring and training a new agency force every few years should be avoided."

There is an annual cost for maintaining an established producer. This unit cost can be reduced by reducing the annual charge or by increasing a man's annual production and Mr. Morrison feels that the greater possibilities lie in the latter direction.

Mr. Morrison reported on results of an investigation as to branch office costs in Canada. Among the conclusions which the investigation brought out was that the clerical cost per collection is affected by the number of policy loans to be handled, the number of note (as opposed to cash) settlements, and by the varying degrees of effort required to get the policyholder to pay. Some of these factors may be inherent in the territory

and hence uncontrollable, but most of the influences which make for high clerical cost are controllable by the manager.

Insofar as the high renewal expense ratio is caused by a small premium per policy, improvement can only be effected over a period of time, by replacing small premium units by larger ones.

## Decides on Flight Plans; Participant in Aviation

CHATTANOOGA, TENN., Oct. 29. —A memorandum opinion in federal court denies the First National Bank the right to collect double indemnity on three life policies held by the late Tarbell Patten, for \$25,000 each. The ruling was given in a suit against the Phoenix Mutual Life.

Mr. Patten was killed in an airplane crash near Marietta, Ga., about two years ago. It was brought out at the trial that after arrangements had been completed to fly to Florida, weather conditions became unfavorable and the pilot advised against going. Mr. Patten is alleged to have insisted.

Federal Judge Taylor held that one who directs when a flight is to be made and who interposes his judgment may be called a participant.

# The October Horoscope

Famous persons born in October are Christopher Columbus, Liszt, Bancroft, Jennie Lind, William Penn, James Whitcomb Riley, Macaulay, Theodore Roosevelt and Chester A. Arthur.

Hope, ambition, energy and courage are notable characteristics of people born this month.

Excitability is strongly marked, and if you were born in October you should keep a strong grip on your nerves and hold your temperament in constant check.

The Opal is your lucky stone.

Your lucky colors are dark blue and gray.

If you are in the life insurance business but not now under contract, it will pay you to contact the Royal Union. Our General Agency plan of operation offers ample room for your ambitions. Write us today.



## Royal Union Life Insurance Company

Des Moines, Iowa

A. C. TUCKER, Chairman of the Board

J. J. SHAMBAUGH, Pres.

B. M. KIRKE, V. P. & Field Mgr.

W. D. HALLER, Sec'y

## MORE COMPANIES QUITTING DISABILITY

(CONTINUED FROM PAGE 3)

percent probably 75 percent will make such drastic restrictions and be so rigorous in underwriting that agents largely will be discouraged from submitting it.

In the Equitable's announcement it is stated:

"Owing to the general discussion of the subject of disability benefits and of the announcements by a number of companies of their intention to discontinue the issuance of policies carrying the disability income benefit, it has been thought wise to clarify at this time so far as possible the position of the Equitable in this respect. Plans have not yet been perfected, but there is no likelihood of our discontinuing entirely the income benefit in the near future so far as men are concerned.

"In view, however, of the withdrawal of some companies and the increased rigidity of selection announced by others, it will be necessary for the Equitable to scrutinize even more carefully than heretofore applications for this benefit."

### Aetna's Stand Made Clear

The Aetna states over the signature of Vice-President K. A. Luther: "The company has decided to discontinue issuing the disability income benefit on all forms of policies. This benefit will not be included in any policy, the medical examination for which is made on or after Dec. 1, 1931. Neither will it be included in any policy issued in exchange for another, except in connection with term conversions as explained below.

"The company has been forced to take this step on account of the unsatisfactory nature of this business. The company will continue the waiver of premium disability benefit and we have further decided that we shall continue to use our present income disability benefit on policies issued in exchange (under the conversion privilege) for term policies with a like benefit.

### Expect Changes in Rates

"We expect to announce shortly, probably on Jan. 1, a change in rate for the disability waiver benefit and also a slight change in its provisions. At that time we shall also announce a change in rate for the disability income benefit to be included in policies issued in exchange for term policies under the conversion privilege when the term policies contain a disability income benefit and the new policies bear the date of the exchange. When the converted policies are dated back, the old rates will apply."

The Connecticut General's new rules on waiver of premium and income disability go into effect variously Nov. 1 and Jan. 1.

### Connecticut General's Action

Vice-President W. I. King writes to agents: "Disability income with life insurance should not be made an end in itself, for there is no doubt but that such a procedure has accounted for much of the loss reported by many companies and I know that I can count on our field force to use disability income as a means of rounding out a full insurance program rather than selling it as an end in itself. In your sales campaign for the rest of this year invite your applicants for life insurance to apply for disability benefits and the double indemnity feature, but do not sell disability benefits with life insurance attached."

The company retains the waiver of premium and also the disability income feature, but the latter on the basis of \$5 monthly income per \$1,000 of insurance, with six months' waiting period and higher rates, effective Jan. 1. Disability begins before age 55. Plan 1, or the waiver, will be issued to age 55, and Plan 2, disability income, only between ages 20 to 50. Waiver only will

be issued to women. The company will issue disability income up to \$250 a month on any one life, including disability with life insurance or non-cancelable disability in the Connecticut General, but not commercial accident and health.

### Makes Other Limitations

The company will issue additional disability income only when aggregate disability in all companies with life insurance and under "non-can" disability insurance, including the new application does not exceed \$500 a month, regardless of earnings. Disability income will terminate at maturity in the case of all endowment and insurance income policies. Disability income will be issued only on policies of \$2,000 and over.

President Smith of the New England Mutual, whose action was reported in THE NATIONAL UNDERWRITER of Oct. 23, explained: "We believe that under current court decisions disability income is a parasite preying upon the life insurance structure, and that it should be given up. We further believe that if changes and modifications in coverage are made the protection will be both expensive and unattractive.

"Our claim experience, while more satisfactory than most, has been mounting at the rate of about 20 percent yearly, and there is no doubt in the minds of our actuaries that the present disability income coverage in force in our company, amounting to 14.2 percent of our entire business, will bring excessive claims in years to come.

### Welfare Is Involved

"After the most careful analysis of this subject we are unanimous in the opinion that the welfare of our mutual institution will be best conserved by giving up disability income, and this feature will be discontinued as of Jan. 1, 1932.

"No unusual effort should be made between now and Jan. 1 to add the disability income feature to old or new policies. For the present waiver of premium and double indemnity will be continued without change."

President H. B. Arnold of the Midland Mutual of Columbus, O., announces the probability that his company will discontinue disability income Jan. 1, and in the meantime an attitude of "watchful waiting." Restrictions on all applications for disability dated on or after Nov. 15 are made public:

### Imposes Restrictions

In no case will aggregate annual benefit, including premiums waived and monthly payments, exceed \$1,500, instead of \$3,750, as heretofore; farmers, students and unmarried, self-supporting women will be considered for waiver of premium only, the latter terminable upon marriage; treatment of disability claims will be closely watched; underwriting will continue to be more conservative, particularly in cases where family history shows tuberculosis or insanity (nervousness, rheumatism, arthritis, goitre or drinking habits calling for very careful underwriting); income and personal earnings of applicant will be carefully considered, particularly with reference to relationship of earned income to amount of disability coverage applied for, taking into account the amount of income disability coverage in other companies.

### No Alternative Appears

President Arnold cited the prior action of the Metropolitan and Travelers, saying: "We have carefully considered every phase of the situation in the hope that some plan might be suggested which would generally be regarded as a safe one upon which income disability could be continued, but in our judgment no such plan has as yet been proposed. Under these circumstances we

think it fair to advise you it is more than probable that on or after Jan. 1, 1932, the income disability benefit will be discontinued. There is no doubt but that many restrictions should be imposed in connection with disability benefits."

Seldom has such a general response been made to a questionnaire as that sent out two weeks ago by THE NATIONAL UNDERWRITER to the various life companies regarding any possible changes in their disability coverages, thus showing the great interest being taken in this subject. In last week's issue was published a summary of the attitude of many of the companies, and this week the survey is complete.

Since last week the following additional definite announcements have been made:

### Other Companies' Announcements

The Kansas City Life announces that Jan. 1 the annuity disability rider will be limited to apply only to the regular endowment forms.

The Security Mutual Life of Birmingham announces that disability income benefits will be discontinued on Nov. 15.

The Provident Life & Accident of Tennessee has modified the granting of benefits considerably in their application to certain risks and is considering further changes.

The Texas Prudential of Galveston has requested its agents to discontinue applying for the income disability feature except in occasional cases. No definite ruling has been made, but the company indicates there soon will be a rate increase.

The Alliance Mutual of Chicago in all probability will discontinue income disability about Dec. 1, as a recommendation to that effect has been made to the board of directors.

The State National Life of St. Louis has discontinued income disability as of Nov. 1 and will pay no commissions on the waiver of premium. On the same date the double indemnity charge will be reduced from \$2 to \$1.50 per \$1,000 and no commission paid thereon.

### Others Not Yet Ready

A considerable number of companies advise that they are not yet ready to make their announcements but that they expect to make some changes and that action will probably be taken before Jan. 1. Of these the Abraham Lincoln will decide about Nov. 15 what changes it will make as of Jan. 1.

The Baltimore Life will make its decision in December. Its feeling is unfavorable to income disability.

The Cosmopolitan Old Line Life of Lincoln will make its decision before Nov. 15, probably effective Jan. 1, and if any change is made it will probably be to abandon income coverage and still maintain waiver of premium.

The Equitable Life of Iowa will make a definite decision as to what disability clause it will adopt probably some time in November.

The Guardian Life of New York will probably make an announcement around the end of October.

### Expect Decisions Soon

The Gulf States of Dallas will have an announcement to make about Dec. 1.

The National Reserve of Topeka is very seriously considering the discontinuance of the monthly income feature on the first of the year.

The North American of Chicago will probably come to a decision by Nov. 15. The Oregon Mutual of Portland has possible changes in disability coverage under consideration and will probably come to some definite conclusion about Nov. 15.

The Penn Mutual is considering the matter and may come to a definite decision before the end of the year.

The Union Labor Life of Washington has not yet decided what to do and will not until the first of the year. It may continue both income disability and waiver of premium.

The United States Life will probably

## New York Speaker



CHARLES F. COLLISSON

C. F. Collisson, farm editor of the Minneapolis "Tribune," will be one of the speakers at the Association of Life Insurance Presidents. Mr. Collisson due to his reportorial and editorial work is well fitted to discuss the agricultural situation.

make a statement not later than Nov. 15. The Volunteer State Life of Chattanooga will no doubt take some action before the end of the year.

The Wisconsin Life of Madison has the matter under consideration, but no definite action will be taken until about Dec. 10.

### Additional Possibilities

The Illinois Life will announce its decision probably by the middle of November.

The Prudential is not yet in a position to make any announcement, but any changes it may make will undoubtedly not become effective until Jan. 1.

The Detroit Life will probably make its decision some time before Jan. 1.

The Lamar Life of Jackson, Miss., whether it changes its disability coverages or not, will make a definite decision before Jan. 1.

The Columbian National of Boston will probably make a statement of its position shortly.

The Crown Life of Toronto has been giving the matter consideration, but has not as yet reached a final decision.

One company has about decided to eliminate disability on women entirely; issue no income benefits to men beyond age 50 and disability must occur before age 55; reduce income from \$10 to \$5 per \$1,000, make disability provisions permanently contestable.

### Are Studying Situation

One well known company writes: "Our problem is not yet as acute as that of some of the companies. The mere fact that most of the companies are making radical changes and restrictions will undoubtedly create a different situation for us. We, however, do not propose to make very radical changes until we have had a further chance to observe the effect of the changed conditions, although we might make some changes in the meantime, such as a six months' waiting period instead of four, and a six months' dating back of income instead of one year."

The Pacific Mutual Life is watching the disability situation with a great deal of interest but is not prepared to make any announcement at this time.

The Pan American Life may have an announcement to make within the next few weeks.

A well known company says: "Our company is planning to issue a re-



stricted disability income provision beginning several months after the end of 1931. In the meantime we are going to adopt some more stringent underwriting methods, particularly, no longer issuing the income provision to female risks, changing maximum age at issue to 50 for men, and possibly some minor changes as well."

#### May Change in 1932

An Illinois company contemplates the discontinuance of monthly income benefits, but its statement is not yet ready for publication.

A prominent company, which wishes its name withheld, says: "We anticipate early in 1932 making changes in the direction of a \$5 benefit on each \$1,000 of insurance, or if many other companies adopt waiver of premium benefits only we shall adopt waiver of premium only. Our experience on disability benefits has up to date not been very bad and we propose to make changes only because we recognize from the experience of other companies that eventually the present income disability benefit will prove unprofitable."

A middle western company says: "We have considered the advisability of discontinuing the income disability in conjunction with life policies, and substituting therefore an accident and health policy, probably on the non-cancellable basis, which would be issued only in conjunction with life policies. By making such a change we would probably be able to protect ourselves in our contract to a greater advantage than under the standard disability provisions."

#### Decision Is Difficult

While the Acacia Mutual has not at present any definite plan for changes and thinks the disability monthly income hardly can be said to be a proper risk for a life company, the company remarks that it is obviously very difficult to eliminate it now when it has been customary to use it. "On the other hand, we appreciate, like others, that it is exceedingly difficult to underwrite it at a profit, although up to the present time we have not had any loss from this part of the business."

The president of a well known western company remarks: "Just between us, I assume we will eliminate the income features, but we are also interested to know what modification some organizations are expecting to make in the way of a premium waiver. I am also wondering what possibility there may be of securing the elimination of the accidental death benefit. While the adverse effect of writing this coverage is not yet so apparent as in the case of disability, one cannot help but feel that with our growing volume of legal decisions which make heretofore natural deaths accidental, and with the unprovable suicides which times of stress bring, we will eventually reach a similar situation as has been reached with the disability benefits."

#### Investigating Experience

Another leading western company says: "We are in the midst of an investigation into our own experience and when that is finished we will be able to make up our mind as to any changes."

A number of other companies advise that they have not yet taken any definite action with regard to disability but have the matter under consideration for later decision. Among these are the Beneficial Life of Salt Lake City, Builders Life of Chicago, Central Life of Des Moines, Central States of St. Louis, Colorado Life of Denver, Cosmopolitan Life of Topeka, Franklin Life of Springfield, Gem City Life of Dayton, Great Northern of Chicago, Guaranty Income Life of Baton Rouge, La., Judea Life of New York, Manufacturers Life of Toronto, Midwest of Lincoln, Montana Life of Helena, Mutual Trust of Chicago, National Life of Chicago, National Old Line of Little Rock, National Union of Spokane, Washington, Ohio National of Cincinnati, Old Line of Milwaukee, Philadelphia Life, Reliance of

Pittsburgh, Reserve Loan of Indianapolis, Seaboard of Houston, Tex., Security of Chicago, Security Life & Trust of North Carolina, Southern Old Line of Dallas, Standard Life of Jackson, Miss., State Life of Indianapolis, Union States of Portland, Ore.

The Confederation Life of Toronto considerably increased its disability rates in July and it is unlikely that the association will make further changes before April 1, 1932.

The Connecticut Mutual will undoubtedly change its form of disability coverage but no decisions have yet been made.

The Great West Life of Winnipeg will not make any change at least until the end of the year.

The Massachusetts Mutual will make some changes but probably not until after the beginning of the year.

#### Northwestern's Position

The Monarch Life of Springfield, Mass., a few months ago made a slight increase in the rates for waiver of premium but does not issue income disability with its life policies.

The New York Life has not made any announcement on the subject of change in disability benefits and cannot state at the present time when such announcement will be made.

The Northwestern Mutual has never

issued any disability coverage except the waiver of premium benefit and there seems to be no present need for any change in either the disability waiver agreement or the premium rate. It may be that after the other companies have decided what they propose to do the Northwestern may deem it advisable to make some changes in its waiver of premium contract, not because such changes appear to be necessary but in the interest of uniformity of practice.

If the Occidental Life of Los Angeles makes any changes they are likely to be in the direction of reducing the age before which claim must be made and adopting an age, such as 65, beyond which the disability annuity will not be payable.

The Old Line of Lincoln has increased its rates on waiver of premium and \$10 per month benefit, \$1 per \$1,000.

#### Not Making Changes

The Roman Standard of Manistee, Mich., no longer adds the disability clause except waiver of premium as a lien.

The following companies plan not to make changes in their present disability coverages: Alamo of Texas, Conservative of West Virginia, Cornbelt of Nebraska, Guaranteed Securities of Topeka, Kentucky Central Life & Accident, National Equity of Little Rock, Na-

tional Progressive of Omaha, Security Mutual of Lincoln, and State Reserve Life of Fort Worth, Tex.

### Dr. M. B. Bender Appointed Guardian Medical Director

The Guardian Life announces the appointment of Dr. Maurice B. Bender as medical director. He has been with the company for the past 11 years, being assistant medical director since Jan. 1, 1925.

Born in Gettysburg, Pa., Dr. Bender received his early education at Gettysburg Academy. He graduated from Gettysburg College in 1909, and received his M. D. from the College of Physicians & Surgeons of Columbia University in 1914.

Dr. Bender then entered the City Hospital in New York as an interne, later becoming assistant medical superintendent. A year as resident obstetrician at the Woman's Hospital in New York City immediately preceded his joining the army medical corps during the war.

Following his discharge from the service, Dr. Bender entered the Guardian's medical department at the home office.

## CO-OPERATION

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The progressive agent is coming to understand more and more the practical help his company can render.

The day is here when a good agent will carefully investigate company co-operation before making a connection.

Continental co-operation is practical, profitable, profound. It will weather the most exacting scrutiny. Its completeness is both evidence of Continental DURABILITY and a guarantee of agency progress.

# CONTINENTAL CASUALTY - ASSURANCE COMPANIES

CHICAGO

ILLINOIS



## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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### Member Audit Bureau of Circulations

### Tax Proposal Ably Answered

LIFE insurance is often subject to legislative attacks when solons get to looking around for something else to tax. An annual tax of \$1 per \$1,000 of life insurance in force was proposed in Arkansas recently on the grounds that in 1930 life insurance companies collected \$19,015,144 in premiums in Arkansas, and paid out \$7,038,006, "leaving \$11,977,138 in profit to the insurance companies." An Arkansas newspaper, however, champions the cause:

"It appears," said the ARKANSAS GAZETTE in commenting on this proposal, "that insurance companies are credited only with the death losses paid. During the year ending December 31, 1929—the last year for which complete detail figures are available—the 43 'foreign' companies, representing 77 percent of all out-of-state company business in Arkansas, collected \$12,986,283 in premiums and paid \$5,442,394 in death losses. If death losses alone were taken into account, there might seem to have been a 'profit' of \$7,543,889 for them in that business.

"But during 1929, dividends, surrender values and other payments made to living Arkansas policyholders totaled \$4,245,505, and increased cash surrender values credited to policyholders and subject to their order totaled \$3,720,449. A grand total of \$13,408,348 was thus paid to Arkansas policyholders and beneficiaries or credited to them subject to cash withdrawal. In other words, during that year, their Arkansas policyholders got out of these 43 companies, in cash or credits liquid as cash, \$422,065 more

than they paid in to them in premiums.

"In the mutual companies, handling more than seven-tenths of all the life insurance in force, there are no stockholders. Such profits as accrue belong to the policyholders. Nearly another one-tenth is with stock companies under participating policies providing for rebates on premiums in the form of dividends. For more than 75 percent of all life insurance in force, taxation of life insurance companies therefore falls on the policyholders.

"The average annual premium on an Arkansas life insurance policy is \$29 per \$1,000. The present state tax takes 2½ percent of the gross of all premiums collected. The \$1 per \$1,000 additional proposed by Mr. Evans would be equivalent to a 3½ percent tax on the average \$29 premium. This would bring the total tax on the average policy to six percent of the gross premium. Life insurance authorities state that it would be impossible for the companies to pay any such tax. But even if the increased taxation did not drive them out of Arkansas who would pay the \$1 per \$1,000 levy? It was stated that his measure would be so drawn that the tax could not be passed on to the policyholders. It might not be, in the sense that \$1 per \$1,000 might not be added to premiums paid by Arkansas insured. But so far as Arkansas policyholders in mutual and profit-sharing companies were concerned, part of it would come out of their share of the profits of the companies. It could come from no other source."

### Too Much Talk About Depression

THE PAN-AMERICAN LIFE urges its agents to cease talking so much about the financial depression. Instead it suggests that agents tell their prospects about the good things that life insurance does for them and their families. As it significantly remarks, "There will

be no depression for them when policies mature." The PAN-AMERICAN LIFE declares that too much has already been said about the depression and it is time to get the people's minds on something of a more hopeful nature in order to change their mental outlook.

## PERSONAL SIDE OF BUSINESS

William H. Hecht, general agent of the Ohio State Life at Celina, O., inspired this week by the arrival of a boy at his home, went out and wrote \$14,000 of insurance in two days. Mr. Hecht did not need this inspiration, however, as he is one of the Ohio State Life's leading producers and is always close to the top.

E. M. Grossman, general counsel for the Central States Life of St. Louis, will head the speakers bureau of the combined drives of the St. Louis Community Fund and citizens committee on relief and employment. Approximately 100 volunteer speakers will serve under him during the campaign to raise \$3,000,000.

Charles A. Berry, for many years widely known in life insurance circles in Syracuse and other central New York points, died Saturday in his home in Cleveland, where he had been living since ill health forced his retirement from the staff of the New York Life about a year ago.

Roger A. Clark, assistant superintendent of agencies for the Northwestern Mutual Life, is holding a series of meetings with general agencies through the middle west.

M. Albert Linton, president Provident Mutual Life, will speak at the annual meeting of the trust division of the New Jersey Bankers Association in Camden Nov. 19-20.

Miss Marian McClench of Ann Arbor, life underwriter associated with the John W. Yates general agency of the Massachusetts Mutual Life in Detroit, and past president of the National Association of Business & Professional Women's Clubs, was guest of honor at a banquet given by the Torch Club of Ypsilanti for the members of the Business & Professional Women's Clubs of Plymouth, Ann Arbor, Wayne, Wyandotte and Monroe.

A. Bruce Lovett of the firm of Lovett & Krouch, managers of the Midland Life at Larned, Kan., died in a Dodge City hospital following an automobile accident near that city.

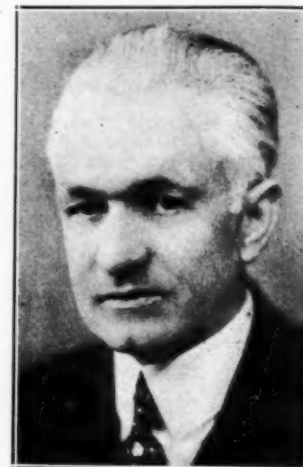
Edward G. Rolwing, president of the North American Company of St. Louis, owner of the Mississippi Valley Life, died from a heart attack Oct. 24 following a few days' illness from influenza.

His first venture into life insurance was as vice-president of the Standard Life of Decatur, Ill., which was later merged with the International Life. However, prior to this merger Mr. Rolwing had disposed of his interest in the Standard Life to devote his time to personal business interests. In 1925 he organized and became the first president of the Universal Life, later merged with the First National Life of St. Louis. Last August the First National Life was merged with the Mississippi Valley Life. His son, E. G. Rolwing, Jr., is secretary of the Mississippi Valley Life.

Benjamin L. Lewis, Sr., 58, senior member of Lewis & Garvin, general agents for the Connecticut General at Columbus, O., was stricken with heart trouble during the Northwestern-Ohio State football game at Columbus Saturday afternoon and was dead by the time he had been removed to University Hospital. It was one of his boasts that he had attended nearly every game that Ohio State had played in recent years.

Clifford Blackmon of Chicago, assistant editor of the "Insurance Field," was married last week to Miss Frances E. Bacus of Fort Worth, Tex. John Leisler, insurance editor of the Chicago "Journal of Commerce," was best man. The two men have been room mates in

### In Field 30 Years



H. PORTER BROOKS

H. Porter Brooks, Louisville district manager of the Western & Southern Life, celebrated his 30th anniversary with that company Oct. 15. He was honored with a banquet and presented a diamond emblem.

Speakers at the banquet were President C. F. Williams and W. H. Lueders, judge of the probate court, Cincinnati. All Louisville representatives of the company and their wives were present, as well as a large delegation from the home office.

Chicago and both resided in Dallas, Tex., in days gone by engaged in daily newspaper work. Mr. Blackmon and Miss Bacus were both students at the Texas Christian University at Fort Worth. The wedding took place in the Magnolia Christian Church.

M. D. Sennette, general agent for the Pacific Mutual Life at Sioux City, Ia., was stricken with heart disease Friday and died a few minutes later. He had been at Sioux City for nine years.

R. A. Trubey, manager Guardian Life, Fargo, N. D., was reelected president of the Red River Valley Council, Boy Scouts of America, at the annual meeting in Valley City.

Bayard P. Holmes, chairman of the board of the Hooper-Holmes Bureau of New York City, and one of the best known men in connection with insurance the country over, was taken to the Post Graduate hospital in New York for a major operation and is reported now as recuperating.

William L. Boyce, Syracuse, N. Y., manager for the Equitable Life of New York, formerly with the company in North Dakota, was in Grand Forks last week to attend homecoming at his alma mater, the University of North Dakota.

Walter M. Ivey, district manager for the Monarch Accident and Monarch Life in Pittsburgh, has charge of Ohio, Kentucky, West Virginia and western Pennsylvania for these companies. The entire district will be organized under direction of field supervisors. Each field supervisor will have a staff of from 10 to 15 men under his direction. At the present time E. V. Johnson, a field supervisor for the Pittsburgh district, is in Cincinnati at the Monarch headquarters. From that point he is directing the Cincinnati selling group. He will be in charge of the Cincinnati office until a permanent field supervisor is located in that city.



## AGENCY CHANGES

### Opens New District Offices

**Central Life of Iowa Secures Managers for Its Branches at Indianapolis and Peoria**

Opening of new district offices of the Central Life of Des Moines, at Peoria, Ill., and Indianapolis has been announced by Dr. T. C. Denny, president.

L. B. McCracken, former agency supervisor and secretary of the agency department of the State Life of Indiana, has been appointed manager of the new Indianapolis office. Previous to his connection with the State Life, Mr. McCracken was with the Travelers for seven years in home and branch offices.

R. R. Sharp, formerly with the Pacific Mutual Life as general agent at Peoria, is the new manager of the Peoria branch of Central Life. Mr. Sharp had also been general agent of the Mutual Life of New York. He is a graduate of the University of Michigan.

#### C. T. Booth

E. W. Cameron, state agent of the Equitable Life of Iowa for Minnesota, announces the appointment of C. T. Booth as district agent for Minneapolis. He brings to his new position a training of 20 years' experience in the life insurance business, five years of which have been in a supervisory capacity.

The Cameron agency has had a steady growth in Minnesota, having at present district office offices at Minneapolis, St. Paul, Duluth, St. Cloud, Fairmont and Redwood Falls. The Minneapolis agency is located in the Plymouth building. Plans for future development include a larger agency force in Minneapolis and at other points in the state.

#### Leon Schwarz

Leon Schwarz, Mobile, Ala., colonel in the World War, former sheriff of Mobile county, and former mayor of Mobile, has been appointed general agent of the All States Life for Mobile and surrounding territory. He once represented the Union Central Life.

#### J. E. Atkins

J. Edward Atkins has been made general agent for Cambridge, Md., and adjoining territory for the Eureka-Maryland Assurance, a newly created position. Mr. Atkins has been a field man for the company.

M. Lavery has been appointed manager of the Kokomo, Ind., district of the Western & Southern Life, succeeding P. J. Woehner, transferred to Vincennes, Ind., to succeed J. M. Bannoff, deceased.

Vice-President J. J. Moriarty, Missouri State Life, attended a luncheon and agency meeting in Detroit given by Manager C. E. Waddell. Robert Mahan, formerly connected with the head office, has taken charge of the group department in the Detroit branch.

### Application a Week for Eight Year Period

An application a week for eight years—in fact, an app a week ever since he has been selling life insurance for the Northwestern National—is the enviable record rounded out Oct. 15 by Ben Goldish, representative at Duluth for the White & Odell Agency of Northwestern National Life. Mr. Goldish now has the fourth highest ranking in the App-a-Week Club, and for his latest achievements will be rewarded with a cash prize of \$80.

## EASTERN STATES ACTIVITIES

### Wright Is Made President

**Well Known Agent of the H. J. Johnson General Agency in Pittsburgh Highly Honored**

As the result of a heated and a closely contested election in September, W. J. Wright, who has been with the agency since September, 1928, was elected by the entire agency force as president of the Holgar J. Johnson Agency Association, which is made up of all representatives in that agency representing the Penn Mutual at Pittsburgh.

Mr. Wright's election was based on the following factors: His production value to the agency, his friendliness in giving freely of help to the agency and members, efficiency as an underwriter, general standing in his community, and the kind of man the agency would want as a leader for all non-official activities and one who could help guide the management towards such programs and policies as will make this a better agency for all to be associated with.

By virtue of Mr. Wright's election he

received a large silver loving cup engraved with his name and year he earned it, to be held for one year until reelection occurs. He will serve as advisory officer to the management on all policy matters. He will represent the agency with management for all matters of controversial nature. He will be accorded the special recognition on all functions. He will be invited to partake in managers' conferences for the planning of agency policy, etc.

Mr. Wright has been a member of the Penn Mutualist Club and a member of the agency's leader and century clubs for the past two years.

### Fails to Tell of Medical Treatment, Policy Voided

ALBANY, Oct. 29.—The New York court of appeals has reversed a verdict in favor of the assured's beneficiary in Leslie Jenkins vs. John Hancock Mutual Life. The policy was applied for April 11, 1929, and the assured died July 27, 1929, of pulmonary tuberculosis. The



**WILLIAM J. WRIGHT**  
Holds H. J. Johnson Agency Club

assured stated in the application that she was in good health and answered "no" to the questions regarding treatment for the enumerated diseases. It



## ARE YOU AN AVERAGE MAN?

TWO representatives of The Minnesota Mutual, let's call them Mr. One and Mr. Two, were, as most of us, just average fellows and were assigned early this year monthly quotas of \$10,000 based upon their previous records—you know, just a little better than their former average to give them something to shoot at. Then they adopted The Minnesota Mutual's Organized Sales Plan and "Blowie" they left the ranks of the average man and this is what they did for three successive months:

	Mr. One	Mr. Two
July .....	\$67,250	\$68,250
August .....	72,250	46,250
September .....	96,750	52,250

*That is what a Working Plan which includes Organized Selling methods did for them.*

**THE MINNESOTA MUTUAL  
LIFE INSURANCE CO.**

Saint Paul, Minnesota

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## AMERICAN NATIONAL INSURANCE COMPANY

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**Assets \$43,535,337.85**  
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The insured himself enjoys the same degree of security he requires for his dependents—the highest obtainable.

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**Connecticut General  
Life Insurance Company**  
Hartford, Conn

developed later that the assured had been examined by a doctor for tuberculosis, but he was not sure whether the examination was before or after the application was made. However, it was revealed that the assured had been treated for ear diseases the year previous and the court held that inasmuch as these had a general effect on the assured's good health, that the policy was void. The court held that it is not absolutely necessary for the assured to enumerate minor illnesses which do not impair general health, but failure to answer the questions regarding major impairment voids the policy.

#### Form Agency Club

The "Mutual Servers' Club" has been formed among members of the Newark agency of the Massachusetts Mutual Life to bring together the agents, promote cooperation and assist in various problems of the agents' daily work. Officers are: Honorary president, Frank H. Lewis, general agent; president, E. C. Morss; vice-president, J. A. Durgom; secretary, L. W. Bailey; treasurer and librarian, C. W. Crooks. The club will maintain a library for members of the

organization who are studying for the C. L. U. degree. The meetings will follow the regular meetings of the agency force on Tuesday evenings.

#### Phelps on Eastern Tour

Nelson Phelps, assistant superintendent of agencies for the Northwestern Mutual Life of Milwaukee, is holding a series of meetings in the east at the agencies of Recht & Kutcher, New York City; Goldsberry & Roberts, Pittsburgh; A. L. Baldwin, Trenton; Hergesheimer & Finkbeiner, Philadelphia; H. N. McAfee, Trenton; Glen Vance, Greensburg, and at Buffalo, Syracuse, Utica and Poughkeepsie.

#### Set New Production Records

The Pittsburgh division of the Eureka-Maryland Assurance in the ordinary production campaign just closed made the biggest record of business written in that period in the history of the company. Under direction of C. S. Day, Pittsburgh manager, the section wrote \$766,500 in one week. The Braddock division also broke its record in this one-week campaign with \$250,000 written. Joseph Heisel is manager there.

## CENTRAL WESTERN STATES

### New York Life Agents Rally

Thirty-five Present at Annual Fall Roundup in Iron Mountain, Mich.—Agency Directors in Attendance

The annual fall roundup of New York Life agents in the upper peninsula of Michigan took place last week at Iron Mountain, with 35 present. R. E. Peters of Minneapolis, inspector of agencies of the northwest department; Carl Ledgerwood, Duluth, and Edgar N. Clough, Green Bay, Wis., agency directors, were among the speakers. J. C. Hill, who has represented the New York Life in Antigo, Mich., for 46 years, was guest of honor at the banquet which concluded the conference. George E. McGowan of Iron Mountain handled arrangements.

#### Indiana Ruling on Licenses

Agents of life companies which write life insurance in combination with accident, health or disability insurance under one policy should be licensed under the 1931 law relating to life agents (chapter 71) rather than a 1929 act (chapter 33) which excludes life companies, Attorney General Ogden of Indiana holds. Mr. Ogden pointed out that life companies are authorized to write accident and disability insurance combined with life insurance policies and therefore the 1929 act does not apply to them.

#### Illinois September Sales Off

Sales of life insurance in Illinois for September touched a new low for the year with \$46,314,000, \$5,964,000 under the August total and \$7,565,000 below September, 1930. The total for the first nine months, as reported by the research department of the Illinois chamber of commerce, was \$527,534,000 as compared to \$628,409,000 in 1930.

Only 30 percent of the Illinois companies reported gains in September. The decline in Illinois in September compared with last year was 14 percent, as against 11 percent for the United States as a whole.

#### Report of Indiana Given

Insurance premiums on all classes of business in Indiana last year amounted to \$131,738,210, there being 804 licensed companies of various kinds in the state. During the year ending Sept. 30 fees and taxes collected by the insurance department amounted to \$2,035,345. The appropriation for the department was \$72,000. Total life insurance in force

in the state is \$2,932,581,889. The legal reserve insurance is \$2,732,366,130.

#### Move Headquarters to Lansing

LANSING, MICH., Oct. 29.—The Michigan agency of the Central Life of Illinois has moved its state offices from the Union Guardian building, Detroit, to the Capital Bank Tower, Lansing's new 26-story skyscraper. Warren D. Pyrum is state manager. He formerly headed the sales forces of the Grange Life.

#### Becker's Agents Meet

R. O. Becker, general agent Northwestern Mutual Life at Peoria, Ill., handling the western Illinois territory, held a meeting of the agents this week. Roger Clark, assistant superintendent of agencies from the home office, was present. There was a three day educational session and 50 agents present.

## Missouri Valley State News

### Requires President to Resign

Nebraska Commissioner Says He Will Suspend License of First American Life Unless Such Action Is Taken

LINCOLN, NEB., Oct. 29.—Commissioner Herdman has ordered that unless Guy G. Patton resigns as president and treasurer of the First American Life of Lincoln, the license of the company will be suspended for 90 days. It is further ordered that Mr. Patton shall not be appointed to any executive office in the company that will give him any control of the company's business, for a period of six months. O. F. Moreland, agency manager, was deprived of his license to write insurance for a year. The licenses of J. E. Blankenship, F. H. Ferguson and W. H. Rankin, agents, were revoked for 90 days, while the charges against G. F. Miner and J. P. VanVliet, also agents, were dismissed. Attorneys for the company and agents said they would appeal to the courts.

The company was ordered to make certain changes in its policies, among them to issue but one form of foundation policy. Witnesses at the hearing had testified that they were shown one form by the agent but received another.



Each class of policy must carry a different form number.

"The evidence also shows that after knowledge by the president of misrepresentations by certain of the company's agents," the commissioner says, "he endorsed their wrong-doing by defending them and personally writing to the complaining policyholders that he would call the situation to the attention of his board of directors for the purpose of adjustment. This was never done in any instance. It is further shown by the evidence that the officers of the company, including the president, issued and circularized misleading and untruthful advertisements and statements concerning the company."

Mr. Patton for a number of years was an examiner in the Nebraska department.

### Iowa Fraternal Congress

A. L. Sherin, Mason City, Ia., was elected president of the Hawkeye State Fraternal Congress at the two-day meeting in Cedar Rapids. C. C. Byrnes, Cedar Rapids, was chosen first vice-president and Miss Alta Lundy, also of Cedar Rapids, second vice-president. C. J. Graves of Des Moines was reelected secretary-treasurer. Mrs. May B. Furman Sinclair, a former president of the congress, was elected delegate to the National Fraternal Congress.

### Twin City Chapter Shapes

Plans for formation of the Twin City chapter of C. L. U. in Minneapolis and St. Paul were advanced at the luncheon meeting at the Minneapolis Athletic Club at which Leon A. Triggs, general agent Berkshire Life at Minneapolis and Chicago, was host to C. L. U. men. He explained the set-up of the Chicago chapter and Nov. 5 was set for an or-

ganization meeting. It also was decided to hold a joint meeting Dec. 3, sponsored by the Twin City alumni chapter of C. L. U. and the Minneapolis and St. Paul Underwriters Associations.

### Bell Doubles Agency Force

W. L. Bell, branch manager for the Connecticut General Life at Kansas City, Mo., has doubled his agency force during the past few months, and now is expanding his office space, doubling agency quarters. The branch stands 140 percent of quota on accident business and 200 percent of quota on group at the present time.

### McLain at Fargo Meeting

James A. McLain, vice-president Guardian Life, attended a meeting of agents of the company in North Dakota and western Minnesota in Fargo. R. A. Trubey, manager for that territory, presided and the meeting was attended by 35 men.

Mr. McLain held conferences at Milwaukee, the Twin Cities and other large centers en route to Chicago.

### Nebraska Fraternal Congress

The Nebraska Fraternal Congress held its annual meeting at Lincoln. The next convention will be held in Grand Island. The following officers were elected: President, A. J. Baumann, F. A. U., Grand Island; vice-presidents, Mrs. Frances Torkleson, R. N. A., Lincoln, and L. Fletcher, A. O. U. W., Grand Island; secretary-treasurer, Mrs. Ida B. Kennedy, Lincoln.

A. B. Lovett, Larned, Kan., district manager Midland Life, was injured fatally last week in an automobile accident.

## IN THE SOUTH AND SOUTHWEST

### Briscoe Indicted for Fraud

**Federal Government Brings Charges Against Former Insurance Commissioner in Promotion of Citizens Life**

MONTGOMERY, ALA., Oct. 29.—A. W. Briscoe, Alabama insurance superintendent from 1919 to 1923, was arrested here Saturday on a federal indictment charging him with using and conspiring to use the United States mails to defraud in connection with the operation of the defunct Citizens Life of Huntsville. Mr. Briscoe protested his innocence.

The indictment alleges that in the organization of the Citizens Life there was "devised a scheme and artifice to defraud."

The defendant and others were to pretend to operate the Citizens Life "as a corporation engaged in the business of insuring the lives of persons and that they would not operate the same such in good faith but would induce persons to purchase stock in said corporation and to pay money therefor and would induce persons to pay to said corporation money as premiums on policies on life insurance and would thereafter fraudulently and unlawfully abstract and embezzle said monies from said corporation and convert said monies to their own use with intent to defraud said corporation and stockholders and policy holders."

"To execute this alleged scheme, it is charged, the defendants used the United States mails. The indictment also sets forth that the defendants represented the company to be a 'strong company financially when in truth and in fact' it should have been represented, 'as they know and intended, a weak company financially.'"

The indictment also alleges that the defendants knew the stock to be of

less value than what they represented it to be.

The indictment shows that the company was organized in 1928 and that the officials in filing articles of incorporation represented that \$10,000 in cash had been paid in as capital stock. In July, 1928, was licensed and filed with the insurance commissioner mortgages on property aggregating \$104,600, which was represented to be worth at least \$100,000.

The indictment further recites that the defendants represented to the Huntsville citizens their intention to raise a surplus of \$400,000 if the people of Huntsville and Madison county would buy one-half of the stock at \$5 a share.

Subsequently, it is shown, the company raised \$40,000 which was subscribed by citizens of Huntsville at a banquet in that city, and obtained an additional \$10,000 in securities.

The indictment does not set forth any specific allegations concerning the use of the money but confines itself to the general allegation that the money was fraudulently obtained and put to the personal use of the defendants.

The company was placed in the hands of a receiver during the latter part of 1930.

### Carolinas Insurance Day

**Plans Are Now Being Completed for Big Convention to be Held at Charlotte**

Plans are now being consummated for the celebration of Carolinas Insurance Day to be held at Charlotte, N. C., Nov. 17-18. It will be a joint observance by North Carolina and South Carolina. It is being sponsored by the North Carolina Insurance Federation, North Carolina Association of Insurance Agents, Charlotte chamber of commerce,

## OUR AGENTS' FUND OFFERS CREDIT FACILITIES TO MEET FINANCIAL PROBLEMS

- The first feminine member of the American Central Field Club (three times entitled to membership) is a consistent user of the Agents' Fund, a friendly, co-operative bank designed to meet the life insurance salesman's particular financial problems. 79.45% of her cases issued during 1930 were financed by the Agents' Fund, this procedure contributing largely to her success.
- In addition to this record she enjoyed a second-premium renewal ratio considerably above the average. The unusual plan of renewal compensation in her contract makes service for, and contact with, old policyholders highly remunerative.
- This contract, with its coordinated services, is offered to those who are interested in personal production. The American Central recruits its organizers from the ranks of the salesmen who have been successful in its service.

Territories now under intensive development include  
Illinois, Indiana, Kansas, Michigan,  
Missouri, Ohio, Texas

## American Central Life Insurance Co.

Established 1899

Indianapolis

Herbert M. Woolen, President

"Guaranteed Benefits

— Guaranteed Low Cost"

## Back of the Guaranty Life is Found

The impregnable Legal Reserve System  
A strong financial foundation  
The well seasoned Iowa insurance laws  
Discriminately selected investments  
A representative Board of Directors  
An experienced Home Office management  
Modern and liberal policy contracts  
Officials who know the problems  
An enthusiastic and hard working agency force

These constitute the very elements of permanency and progressive development. Tie to a company that is growing.

Desirable agency connections available in

Iowa  
Minnesota

Colorado  
Ohio

Lee J. Dougherty, President

## Guaranty Life Insurance Co.

Davenport, Iowa

## The Devil's Wedge

Once upon a time, so was an old story told, the devil, becoming hard up, decided to go out of business. His tools were being auctioned off; his hammer, saw, chisel, etc., were sold at good prices. And just as the auctioneer was about to offer the last tool, the wedge, the devil shouted, "Hold on, don't sell that! You may sell all my other tools, but just leave me my little wedge, *discouragement*, and I'll get in anywhere."

The present situation is a challenge, not a catastrophe, for, as a group, life underwriters have less cause for discouragement than probably any other. We offer our clients the one possible method, in most cases, of making sure they will leave any estate at all. We are depressing the depression.

Life insurance!—the one investment that does not fluctuate, brings supreme safety to the investor's money, and makes it contribute to the capital resources that keep the nation's business going.

### THE PENN MUTUAL LIFE INSURANCE CO. PHILADELPHIA

WM. A. LAW, President

Independence Square

Founded 1847

## Dominant in the West

A COMPANY in an expanding mood, with a splendid background of achievement, and the largest Guaranteed Cost company west of the Missouri River. It keeps a step ahead in extending modernized life insurance service. Family Income, Retirement Annuity, Business Protection and Juvenile contracts, in addition to all standard forms. Non-medical written.

Liberal contracts and that better Home Office service for agents.

Insurance in Force Over \$265,000,000  
Admitted Assets Over \$43,000,000

### California-Western State Life Insurance Company

J. ROY KRUSE, President  
HOME OFFICE:

JAMES L. COLLINS, Supt. of Agencies  
SACRAMENTO

Charlotte Insurance Exchange and the life underwriters associations throughout the two states. The first Carolina Insurance Day meeting was held at Greensboro last year. Governor Roosevelt of New York has been invited. Merle Thorpe, editor of "Nation's Business," and Congressman Hamilton Fish, Jr., are expected to appear. C. O. Kuester, business manager Charlotte chamber of commerce, has been chosen as general chairman for arrangements.

The life insurance sales congress program will include John M. Laird of the Connecticut General Life, recently elected president of the American Life Convention; Oliver Thurman, vice-president, Mutual Benefit Life; Albert E. N. Gray, superintendent of agencies, Prudential; Elbert Storer of Indianapolis, president of the National Association of Life Underwriters; John M. Holcombe, Jr., manager Life Insurance Sales Research Bureau of Hartford, and Roger B. Hull, National Life Underwriters Association. Invitations to address the sales congress have been sent to Julian S. Myrick, prominent New York general agent; T. M. Riehle, insurance specialist of New York; Dr. John A. Stevenson of the Penn Mutual; Philip Burnett, president of the Continental-American; James A. Fulton, president of Home Life; James L. Madden, vice-president Metropolitan Life, and Gilbert Stephenson, vice-president of the Equitable Trust Company, Wilmington, Del.

### Federal "Unions" Drop Fight

Carriers Attacked by Texas Attorney  
General Start Reorganization Under  
State Laws

AUSTIN, TEX., Oct. 29.—Assistant Attorney General Benbow announces that the attorney general's department will take immediate action to eliminate every kind of insurance carrier not complying with Texas laws or operating in an illegitimate manner. This follows the wholesale raid through injunctions against 19 alleged unions holding federal charters, which had been operating in Texas in defiance of the laws of the state, according to the attorney general's allegations. They were enjoined from doing business in Texas. These concerns have been writing life, health and accident business.

The defendants filed motions to transfer the cases to the federal courts, but in both instances the motions were overruled. Since then no further move has been made by the defendants and Mr. Benbow said he had been advised that several persons are forming Texas companies to take over the business of the federal "unions" and thus continue under the jurisdiction of the Texas department.

It is the first time this particular question has ever been litigated, with a state seeking to compel concerns holding federal charters to comply with state laws.

### Oklahomans Give Dallas Program

In response to an invitation from the Dallas Association of Life Underwriters, the Oklahoma association is planning to put on the program at the Dallas meeting Nov. 13. The committee in charge is planning one of the most interesting and attractive programs of the season. Because of conflicting dates with the homecoming football game of Oklahoma University at Norman, the November meeting of the Oklahoma association has been postponed until Nov. 21.

### New Fraternal at Americus, Ga.

A new fraternal is being organized at Americus, Ga., known as the Knights of Dixie. It is basing its rates on the American Experience 4 percent table, the amounts being issued in \$1,000 either ordinary or 20-payment life. It expects to have its license some time in December. It must have 500 members and 10 lodges in the state. It now has eight

### Greer to Tighten Up on Alabama Burial Outfits

MONTGOMERY, ALA., Oct. 29.—Superintendent Greer has written a letter to burial and mutual aid companies operating in Alabama in a step toward providing protection for their policyholders. The burial and mutual aid companies have been allowed to include a number of items in their admitted assets which do not represent the organizations' true financial worth. The burial societies have also been calculating their reserve on the basis of \$75 to \$100, while the caskets provided in the contract are valued at \$250.

"The burial insurance companies are obviously issuing a life insurance contract," the commissioner said. "They are operating miniature life insurance companies paying the contract in merchandise and services instead of money. The future policy contracts issued by these burial insurance companies must be clearly written so that the insured will not misunderstand the terms and conditions. Contracts of insurance not in compliance with the law will not be permitted to be sold in this state after March 1, 1932."

lodges established. L. C. Duncan in the Planters building, who is chaplain, is one of the main factors. Shirley Hudson is president, John W. Shiver, vice-president and W. M. Humber secretary. The rate at age 35 on an ordinary life is \$22.60 and on a 20-pay life \$28.95.

### Southern Notes

An office of the *Jefferson Standard* has been opened in room 204 Peoples building, Charleston.

A. M. Miller, president of the Sterling Mutual Life of Houston, Tex., has returned from a business trip in Louisiana. Mr. Miller is well known in the insurance business, having been an agent and later an official for the past 17 years.

## News of Pacific Coast States

### Changes in Hammond Agency

Several Assistants in Los Angeles Organization of Aetna Life Are Transferred

W. M. Hammond, Los Angeles general agent Aetna Life, has announced the transfer of R. L. Hoghe, assistant general agent, from San Diego to the main office at Los Angeles, in a similar position, succeeding W. B. Stannard, resigned. W. L. Ewing, assistant general agent at Los Angeles, has been transferred to San Diego. J. S. Pennington, assistant general agent at Santa Barbara, also goes to the Los Angeles office in the same capacity and Smith Cullom, assistant general agent at Los Angeles in charge of brokerage business, to Santa Barbara.

### Thierbach on Coast Trip

Russell P. Thierbach, assistant superintendent of agencies for the Northwestern Mutual Life, has started on a six-weeks trip through the western zone. He will visit general agencies in Idaho, Washington, Oregon, California and Arizona.

### F. C. Hathaway Honored

At the Monday morning meeting of the Los Angeles agency of the Mutual Life of New York, attended by approximately 100 members of the agency staff, Manager Fred C. Hathaway was presented with a complete desk set, in honor of the 30th anniversary of his entering the service of the company.

The California-Western States Life has been licensed in Montana.



## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

### Union Labor Life Contracts

#### Issues Family Income Rider and Series of Juvenile Policies to Round Out Service

The Union Labor Life now is issuing new juvenile policies providing an endowment at age 18, age 21 and a 20-year endowment. They are in units of \$500 on children between ages 3 months and 9 years and 6 months. President Matthew stated that most juvenile policies are compelled to lapse on death or disability of parent who is paying premium. The Union Labor has provided a rider which may be attached to juvenile policies, so that upon death or disability of parent (the original beneficiary) the company would waive future premiums, policy continuing in full force and effect as though premiums had been paid. Besides this waiver of premium the juvenile policies contain liberal surrender values and participate in surplus earnings. A liberal death benefit on the life of the child is provided within the maximum permitted by New York Law. These are the first of a series of new contracts which the Union Labor is making available in order to round out the line of contracts and complete the circle of protection to the family.

The company also has brought out a family income rider providing cash payment to beneficiary of 20 percent of face immediately upon death, a monthly income of \$10 per \$1,000 for family income period (10, 15 or 20 years) which insured has selected, and full original face of policy at end of family income period. Extra premiums are quoted with and without disability waiver of premium. Extra premiums remain constant for periods of five years and then decrease, ultimately vanishing at end of family income period. The plan provides for a substantial clean-up fund upon death of insured, together with monthly income during period of minority of children, besides lump sum at end of family income period.

#### Equitable of New York

In a notice sent out to agents and brokers by the A. B. Johnson agency of the Equitable Life of New York in New York City, W. S. Keller, assistant manager, says: "It is also my belief that the society will continue to issue disability but will charge a somewhat higher premium than at present and will grant a monthly income of one-half percent of the face amount, \$5 per \$1,000, and will probably increase the present fourth month restriction clause to six months.

These last statements, however, are only my own opinions and have not been supported from any official statement from the society."

Mr. Keller's statement is appended to an announcement of the modifications the Equitable will make in its disability coverage effective Nov. 9, and refers to possible additional modifications beyond those which will take effect Nov. 9. The changes Mr. Keller predicts are substantially those recommended as a result of the meetings held by actuaries at various times during the present year.

#### Monarch Life

A special term policy at \$5 a quarter is being issued by the Monarch Life, the amount of insurance per unit varying, depending on age at issue. It has guaranteed cash values, waiver of premium during disability and premiums are subject to reduction by dividend. The company offers the service of a regular sight draft for \$250 enclosed with each policy. The contract is on the life expectancy term plan, providing insurance for a specified number of years to life expectancy as shown in the American Experience table. Premiums are payable until termination date and policy may be converted at any time to life or endowment. At age 35 three units can be purchased for \$15 a quarter giving \$3,102 of insurance. The company is specializing on this contract with its accident and health policyholders whose premiums fall due the last three months of the year.

#### Bankers National

The Bankers National of Jersey City, N. J., has put in force a new scale of increased instalments under settlement option "C," which is the one guaranteeing monthly income to payee for his or her lifetime with a number of years certain in case of payee's death. The scale applies to all policies issued on and after Sept. 25 and also to policies originally issued by the Bankers National of Jacksonville and the Bankers National of Denver, where the scale of instalments provided is on a lesser basis than the new scale.

#### New England Mutual

The New England Mutual Life has announced that its dividend scale will be continued for next year. The New England Mutual has never reduced a dividend scale. The company is about \$3,500,000 ahead in paid for business so far this year.

#### Provident Mutual Life

The Provident Mutual Life has announced to its field force that "barring unforeseen contingencies the officers anticipate no change in current life and endowment dividend scale for next year."

## NEWS OF LIFE ASSOCIATIONS

### Philadelphia in First Meet

#### Linton and Stevenson Give Inspiring Messages at the Opening Session of Season

PHILADELPHIA, Oct. 29.—More than 80 percent of the membership of the Philadelphia association attended the opening meeting of the 1931-32 season to fill the convention hall. The speakers declared that not only had the turning point of the depression been reached but that the depression was a challenge to life insurance and not a catastrophe.

#### Linton, Stevenson Keynoters

It was Philadelphia companies' night and the program was one of the best the

association has ever arranged. It was in reality a convention in brief.

Although Louis F. Paret of the Provident Mutual, president of the association, presided at the start, he soon turned the gavel over to M. Albert Linton, president of the Provident Mutual.

Mr. Linton and John A. Stevenson, vice-president Penn Mutual struck the keynotes of the evening. Mr. Linton when he said that "forces have been at work throughout the world to a solution of our problems." And he pointed to the work of international leaders and the "splendid work of the White House." He went on to say that the turning point of the depression had been reached. Then he pointed to life insurance: proudly remarked that in the first nine months of this year it was off only 16 percent from the best year the business ever had. Asked what business could

# if you want—

- Unrestricted Territory
- Vested Renewals
- Agency Building Opportunity
- Home Office Co-operation

# then you want

the Square deal Agency Contract

as issued by

**National Life**  
Insurance Company

MADISON, WISCONSIN

Address W. J. Wandrey, Secretary and Agency Manager

## STATE MUTUAL LIFE ASSURANCE COMPANY

OF

WORCESTER, MASSACHUSETTS

**IF IT'S  
RESULTS YOU WANT  
Consult Our Local  
Representative About  
the State Mutual's New  
Training Schedule to Get  
the New Man Into  
Early Production**

**INCORPORATED—1844**

**EIGHTY-SEVEN YEARS OF SERVICE**

## MORE PROTECTION FOR SAME CASH OUTLAY

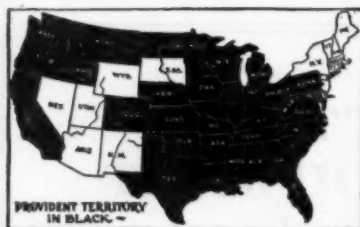
That's What Your Client  
Gets in Our New  
"Business Men's  
Special" Life  
Policy

A Contract Designed to Ful-  
fill His Dreams by Giving  
Him Maximum Protection  
Now, When Needed Most,  
but with Sufficient Flexibil-  
ity to Take Care of His  
Future Requirements

### Some of the Features

Term to Age 65—Con-  
vertible at attained age  
any time before Age 60  
to any regular Life or  
Endowment plan—Sub-  
stantial guaranteed an-  
nual credits on conver-  
sion—Guaranteed cash,  
loan or other non-for-  
feiture values beginning  
at end of third year and  
increasing annually—  
Usual disability and dou-  
ble indemnity benefits—  
Investment opportunity.

An Agency for You Some-  
where in This Territory



Up-to-the-Minute Personal  
Accident and Health  
Policies



equal it. Said we should be proud of a business that could make such a record during a depression. That those in the field are to be congratulated.

Mr. Paret said that times were never better for life insurance. "Conditions certainly played into our hands. The public is now conscious of its stability and advantages."

Mr. Linton started in the same vein. "An intensely interesting time to be alive. Every day that passes adds to the prestige of life insurance." The public realizing its value as protection and investment. "Optimistic on the future in general." Life insurance, he said, is getting back to fundamentals with the elimination of the disability frill.

Edwin H. Doreen Speaks

Edwin H. Doreen, agency supervisor Fidelity Mutual, followed the theme of the Pittsburgh convention, "Life Insurance, the Structural Steel for Estate Building." "If life insurance is structural steel for estate building, we're the workmen. There is mortality in the steel business; mortality in our business, but on those who stay on the ground; seldom those who climb to success."

The strategic position of the life insurance salesman was never better than today, Mr. Stevenson, the next speaker, declared. For those prospects whose financial position has been impaired, there is a definite responsibility on the part of the life insurance salesman to see that their families are not forced into actual poverty in the event anything happens before they can rebuild their estate.

"On the other hand, those prospects who do have money are the best prospects in the world for insurance as an investment."

"The amount of money in savings banks alone is pretty strong evidence that the trouble now is not lack of purchasing power but a lack of will to purchase," Mr. Stevenson said.

### Baptism of Faith

"The first thing we need in meeting today's challenge," he said, "is a baptism of faith in the value of life insurance, both for protection and investment. I don't mean that any one of us could have a shade of doubt about the inherent value of life insurance, nor the magnificent part it has played and is playing as a financial stabilizer under present conditions. What we should have at the present is not passive belief but militant enthusiasm."

"What we really need is a first class life insurance revival meeting. I firmly believe that if we could get a few real life insurance evangelists to get up and tell us their experiences, tell us just a little about the glorious work which the institution of life insurance is accomplishing today, we would all hit the sawdust trail, and I believe we would start out from here selling more insurance in a month than we sold during the first ten months of this year."

Mr. Stevenson advised agents to work hard and long, to attempt working until they get their second wind.

"Fix in your minds the thought that you have the one financial plan to offer on which no shadow of doubt has fallen in this financial emergency and only through your efforts is this plan available. Shouldn't that thought energize any man to action?"

**Texas.**—The Texas association will meet at the Rice Hotel, Houston, Oct. 31. Each unit in the association is expected to send a delegate. Officers for the coming year will be selected, and the program of association activities for 1931 and 1932 will be outlined.

**Memphis.**—Claris Adams, executive vice president American Life of Detroit, will be the speaker at the Memphis association Oct. 30.

**Peoria, Ill.**—At the meeting of the Peoria association Nov. 6, Laurence Simon of New York City, a leading producer of the Massachusetts Mutual, will speak. L. O. Schriver is general chairman of the campaign for the community fund drive. The Peoria association is again sponsoring classes at Bradley col-

## Topeka Group Votes to Admit Industrial Men

The Topeka Association of Life Underwriters has decided to admit industrial agents into membership on the same basis as other life underwriters.

Only a few associations have adopted this plan and until a few years ago the industrial men were not admitted generally to the associations. The Topeka association is one of the first in the west to announce the change in policy and already 37 industrial men have membership applications. One meeting each month will be devoted exclusively to industrial insurance.

lege in preparation for the C. L. U. degree. These are under the personal direction of Dean L. G. Phillips. The association is also sponsoring a general educational course for life agents which will start within the next month and will be under the direction of Chairman L. O. Schriver of the educational committee.

**Sonoma County, Cal.**—Life underwriters of Sonoma county are conducting a campaign among agents in all of the north coast counties above San Francisco for the purpose of organizing a strong association in that section at a meeting next month. There has been a small organization at Santa Rosa but the new plans, as suggested by Ben F. Shapero, president of the San Francisco Life Underwriters Association; James M. Hamill, vice-president, G. F. McKenna and R. H. Mouser, include the bringing in of agents throughout the entire territory. If a local organization cannot be launched successfully the agents will be invited to affiliate with the San Francisco association as non-resident members. Under this plan the San Francisco group will aid in the holding of frequent meetings.

**Stockton, Cal.**—The Stockton association will hold its sales congress Nov. 19. Tom Cox of the Oakland office of the Northwestern Mutual Life, who has made quite a record this year with men of means in the selling of life insurance as an investment, is to lead a discussion on that phase of the business and John T. Burton of the Penn Mutual Life will speak on prospecting. The entire program will be adapted to the existing conditions as underwriters have found them.

**Evansville, Ind.**—At the meeting of the Evansville association Saturday, L. C. Kigin, Terre Haute, president of the Indiana state underwriters association, presented the Charles Jerome Edwards Membership Cup, which the Evansville association won for the current year. Mayor Frank Griese, and Arthur Eberlin, secretary of the chamber of commerce made short talks.

Arthur Saum, chairman of the membership committee, was congratulated on his work in winning the cup. Several industrial offices were complimented for their assistance in the membership drive. It was agreed to have the cup on display in each of these offices for a month at a time. The stimulus given by the state association was also recognized.

The principal address was made by Nelson Davis, educational department Guardian Life.

**Los Angeles.**—The Los Angeles association has arranged for six practical life insurance selling meetings under the auspices of its educational committee of which Kellogg Van Winkle is chairman. The first was Oct. 23 when the subject was "Prospecting." The speakers were H. G. Saul and Floyd Lafot. Others are: Nov. 20, "Old Age Income Through Annuities," Kellogg Van Winkle and Roy Heartman; Dec. 18, "The Approach," W. G. Gastil and Floyd Folker; January, "The Sales Presentation," Wilmer Hammond and F. L. Righter; February, "The Close," Fred Duckett and Sam McCurdy; March, "Life Insurance as an Investment," Harold Leslie, L. M. Bolter, Aubrie Davis and Roy Ray Roberts.

William Jennings Bryan, Jr., spoke at last week's meeting on "Silver and International Commerce." "Echoes from the Pittsburgh convention" were given

## CLOSE PERSONAL CONTACT

Which is greatly appreciated by both our agents and policyholders is only one of the many appealing reasons why agents like to represent this company. For information regarding an agency contract write direct to the Home Office.

## BUILDERS LIFE INSURANCE COMPANY

Karl J. Crist, Executive Vice-President

228 N. LaSalle St.

Chicago,

Illinois

# Now

You can provide

"Perfect Personal  
Protection"

through our new

COMPLETE COVERAGE  
COMBINATION POLICY

Life

Accident & Health

Total & Permanent Disability

Old Age Benefits

all in one contract

Agency Openings in

Illinois	Michigan
Indiana	Missouri
Iowa	Ohio
	Oklahoma

Abraham Lincoln  
Life Insurance Company  
Springfield, Illinois

H. B. Hill, President

\$90,000,000 in force

NU-11-31



by Cecil Frankel, H. G. Mosler, A. P. Chipron and D. T. Johns.

**Richmond, Va.**—Dr. S. S. Huebner, of University of Pennsylvania, spoke at the October meeting of the Richmond association on "Life Insurance—the Financial Emergency Safeguard." Life insurance, he said, is the best asset that can be had. The cash values are always the same and available when needed, whereas stocks, bonds and other securities fluctuate in value and suffer great shrinkage in days of depression. He estimated that estates in America consisting of such securities had depreciated fifty billion dollars in the last two years. Neil D. Sills, Richmond manager for the Sun Life of Canada, former national president, introduced the speaker. More than 200 life underwriters, bankers and business men heard Dr. Huebner. John E. Woodward, membership committee chairman, reported 41 applications for membership which will be acted upon at the November meeting. The speaker at that meeting will be Holgar J. Johnson, general agent Penn Mutual, Pittsburgh.

**Boston.**—The October meeting of the Boston association was held Oct. 29. James H. Kavanagh, second vice-president Metropolitan Life, was scheduled to speak on "Life Insurance Opportunities in Present Day Conditions."

**Davenport, Ia.**—J. E. Walker, Michigan manager for the Guaranty Life of Iowa, declared at a meeting of the Davenport association that selfish regard for personal gain has caused the present economic crisis. He blamed business leaders except those of the type of Henry Ford and the late Thomas A. Edison.

"The cure in this crisis, as always," he said, "is courage in accepting responsibilities manfully."

Mr. Walker declared that in 20 years a man who dies with a million dollars will be disgraced. "Society," he said, "is learning that no man has a right to a huge income, and soon he will be denied it." Mr. Walker advanced the idea that the government should assure the safety of depositors' money in the banks through insurance, thus guaranteeing unshakable confidence. He said that insurance is the only institution which has absolutely stood up.

**Chicago.**—The Chicago association is making elaborate preparations for its next luncheon meeting Nov. 18 when Clay Hamlin is to be the principal speaker. The grand ballroom of the Hotel Sherman has been engaged and Walt Tower, managing director of the association, is laying plans for an attendance of 1,000. Mr. Hamlin, famous for his brilliant talks on business and other insurance, and a headliner on any program, is one of the outstanding big producers and general agents, with a consistent record over a number of years of many millions a year.

**New York City.**—J. E. Bragg, director of the life insurance training course of New York University, and John Morrell of the Equitable Life of New York in Chicago will be the speakers at the next dinner meeting of the New York City association, Nov. 12. Prof. Bragg's subject will be "Carry On." Mr. Morrell will talk on "Hedging Against Life's Uncertainties."

**Indianapolis.**—G. H. Harris, supervisor field service bureau of the Sun Life of Canada, will address the Indianapolis association next Friday on "Life Insurance Present Day Difficulties and Opportunities."

**Asheville, N. C.**—The Asheville association has voted to hold its November meeting in Charlotte, N. C., in the form of a breakfast on the morning of Nov. 17 with the idea of attending in a body the annual meeting of the Insurance Federation of North Carolina to be held there on this date.

### Home Office C. L. U. Study Class

A class of 12 home office employees of the Acacia Mutual Life passed the first two parts of the C. L. U. examinations last June and are continuing the study for the last three parts. A new class with 14 members has just been organized which will study for the first two parts under the direction of H. B. Lemon, actuary of the United States Chamber of Commerce.

## Discuss Problem of Veteran Agent

(CONTINUED FROM PAGE 1)

drop 20 percent, indicating the value of keeping the established men on their toes.

The established agent, he said, is not very efficient. His effort is unorganized and he lacks effort. He said life insurance has achieved the reputation of letting men shift for themselves. They are permitted, for instance, to come to work late and to proceed without plans of operation.

### Help Prestige of Business

Those who are making a good living in life insurance are helping to put the business on a high plane, but their influence is more than offset by the failures in the business. If the general production of the agent could be increased, the prestige of the business would be increased by that much.

Mr. Davies said it is important that agents be inculcated with the proper mental attitude. They should be convinced that business is to be had. They must be kept sold on the business of selling life insurance.

The agent should have an ample supply of prospects. Mr. Davies said that a prospect is not a prospect until the agent thinks he is a prospect. He suggested that agents be taught to study the last 100 cases in the agency and the businesses that are prospering. The agent today who is in the worst condition is the one who has been working with a small clientele. Prospecting today means plenty of thinking.

### Sales Presentations

The agent must be equipped with sales presentations. He must be trained to fight for the business. He has to make life insurance seem so important that the prospect puts it next on his list of purchases. He should have enough presentations to enable him to stay with a sale until he gets a "positive no or a reluctant yes."

The agent needs to plan his work well and he needs to be started on a program of constant self improvement.

Every man at the home office who has any contact with the field should have the right mental attitude. A definite program of training should be sold to every one in the home office. Every home office man going into the field should have a real message. Alibis should be treated with "respectful indifference."

Personal letters to managers were advised; bulletins, plan books for the managers, trade publications.

Agency meetings should be devoted to bread and butter subjects not to trusts, wills, estates, etc.

House organs and all the other machinery for putting a training program in force are available, Mr. Davies pointed out; what is needed is someone to put the machinery in operation.

### W. H. Beers Gives Talk

W. H. Beers, special agency assistant Mutual Benefit, drew some conclusions from figures of his experience while assisting in the operation of the Delong & Beers agency of the Mutual Benefit in New York City 1928-1930. One of his conclusions was that getting an increase in the average sale was the easiest method of getting an increase from the established men. Continued training brings continued improvement. Training is a gradual process. All men who are receptive and will try will get results. New men can produce better results than the established men. They can get a higher average sale and larger volume.

A thorough educational program, he said, must inspire men to action as well as being informative. He advocated stressing the three P's—Prospecting, program, organized presentation.

Mr. Beers believes in training agents to appraise the insurance buying capac-



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ity of prospects at sixty percent of their annual savings.

The training of established agents is profitable, he said, because increased production reduces the expense ratio; there is less of a financial problem for the general agent; agents are satisfied; the community is given better service.

#### Getting Program Across

J. A. Giffin, assistant agency manager Phoenix Mutual, was the principal speaker on the topic "Getting the Training Program Across." He said that life insurance training differs from a college course. A major selling job is involved. There is no short cut. Patience is required.

It is important that the whole hearted endorsement of a training program be had up and down the line and especially up with the agency executives.

In the last analysis, he said, the general agent must put the program across. He said it is advisable to make the general agent understand, possibly by clearly so stipulating in his contract, that part of his compensation is for training.

Mr. Giffin reported the plan of his company. Likely looking young men are brought into the home office from time to time, with the idea of building up a reservoir of general agency material for the future. These young men are given two weeks instruction in supervision, selection and recruiting. They are placed on a salary. Then they are sent out to an agency where the manager is a good trainer. There they remain for perhaps three months; then

transferred to another agency for the same period and then to a third agency. He then goes on a traveling program. After a time he is brought in for an advanced course in management and then is set up in an agency.

#### Many Managers Replaced

In seven years, Mr. Giffin said the Phoenix Mutual has replaced fifty percent of its managerial force with this new type of sales manager. The general staff system of the army is employed, officers being trained to train the privates—the home office training men to train agents instead of training the agent directly.

Paul G. Hommeyer, district superintendent Union Central, followed. He said it is important to develop a reservoir of replacement material; general agents must be trained for tomorrow.

M. L. Williams, agency assistant Provident Mutual, said that his company "doesn't have to fight with the general agents to get them to use the training program." He said routines have been developed for home office men entering a general agency to follow. The Provident uses the so-called demonstration plan, home office representative staging courses, with the intent of helping the new man and through him helping the general agent.

N. F. Davis, Jr., Guardian Life, said that the training plan is an activity that must continually be repeated. The training program gets across, he said, if the agent and the manager see that it can make money for them. He compared the supervisor and manager to the base-

### Big Business Policy Helps a Closed Bank

The Bank of Pittsburgh, which closed recently, will get \$1,000,000 insurance by the death of Harrison Nesbit, who was president, killed in an automobile accident at Muirkirk, Md. The bank carried a million dollar business insurance policy on Mr. Nesbit's life. The premiums had been paid up to March 2 of next year. Mr. Nesbit also carried \$250,000 personal insurance. The payment of \$1,000,000 to the bank will materially hasten the work of straightening out its affairs.

ball coach. He said the coach does not give lectures on batting averages, history of the game, etc., but keeps the men drilling on sliding, infield proficiency. It is likewise drill and repetition that develops the art of selling, he declared.

#### Tells Canada Life Plan

R. G. McDonald of the Canada Life told of what his company has done. A simple program was developed with the aid of the managers. Demonstrations were given in the larger agencies. Seventy percent of those who went to the classes are still in the organization. Among the by-products have been better selection and quicker elimination.

The two most important factors in the Canada Life system are the stripping of the set up to the simplest principles and language and getting the managers into partnership with the home office.

Mr. Kenagy summarized what had been said and Mr. Jones closed the session with remarks on the subject. He said that in recent years it has been found that adults can learn as rapidly as youngsters, but it is not yet demonstrated that they can apply the knowledge as readily. Merely knowing a thing is of little consequence, he observed. The problem of training is to get men to put knowledge into action.

#### Changes in Staff

An important change in the staff set-up of the Research Bureau was made Thursday following the reading of a report of a special committee by Oliver Thurman, vice-president Mutual Benefit, chairman, recommending the change. In line with this report, the nominating committee presented the names of 15 men to make up a board of directors, and the report was accepted.

The new directors were authorized to name their chairman, and also select an executive committee of five upon whom will fall most of the real work. The idea is to permit a wider representation in the councils of the bureau and at the same time to have a small, closely-knit group which can get together frequently. It is planned for the executive committee to meet quarterly. The executive committee must include at least three members of the board.

#### Chace Heads Slate

G. H. Chace of the Prudential, vice-chairman of the agency officers' executive committee for the last year, is expected to succeed Walter E. Webb, executive vice-president National Life, U. S. A., as chairman. The slate also calls for election of C. D. Devlin, of the Confederation Life of Canada, as vice-chairman.

#### To Dissolve Citizens Life

Superintendent Thompson of Missouri has instituted proceedings in the St. Louis circuit court to dissolve the Citizens Life, which formerly had offices in the Paul Brown building. Neill Bohlinger, secretary, consented to a dissolution order.

Superintendent Thompson stated that the company has not been licensed for some time and that most of its policies have lapsed.

### Insurance Differs from Other Lines

(CONTINUED FROM PAGE 1)

Business transactions, Mr. Jones added, are made on the basis of profit and loss and are often unsatisfactory because in times of prosperity profits may be too great and in times of depression too little or none at all. Accordingly, there is a lack of steadiness which occasions the need to take all the profit the traffic will bear in one year in order to equalize the losses of another.

In life insurance, there are two extremes of attitude on the part of the public, he said. In a period of great prosperity, the agent hears "I can do better with my money."

#### Disconcerting Argument

"There is no shield," Mr. Jones said, "which the buyer puts up to ward off the argument of the agent that is quite so disconcerting as that. It is the most difficult of all objections that the agent has to meet and, thus, in times of business prosperity the agent needs the encouragement which goes with a thorough knowledge of the service he has for sale."

"Then in times like those of today he meets the objection—I cannot afford it." An entirely different type of response must be made to that. These two objections stand at opposite poles of life insurance selling but in the latter objection there is the very essence of desire for the service of life insurance that comes from an humble soul that must admit he cannot afford it. Of the two objections, the latter is the easier to discuss with the prospect because of his mental attitude.

"A business depression is not without its advantages, not only because of the general theory that in every disadvantage there is an advantage and in every advantage there is a disadvantage, but because of the situations it creates which are quite obvious as illustrative of that principle. Are not the men and women of today more humble, more considerate, more convinced of the need of stability? Does not the family get together about the hearth and discuss its problems in times of adversity, while in times of prosperity each goes his own way, each has his own money, each has his own car?"

#### On Permanent Principles

"Life insurance is in a category quite apart from that of general business. It is true that there is involved the premium and the investment of the reserves and surplus—these must be measured in the currency of business, but life insurance does not rest upon such uncertain so-called principles as those of supply and demand and profit and loss. There is an inexhaustible supply of life insurance and there can be created very easily an increased demand. The supply at any one time, though inexhaustible, is simply potential—it does not exist in an unsold condition as a product of labor which must be disposed of at a loss in order that labor and overhead may be paid. It is not a profit and loss transaction. Though great profit does come from it, it is not a transaction involving resale at a price higher or lower than that at which it was purchased. Neither is it an installment purchase of the kind that commerce uses because its actual values are stated in bold faced type and, thus, the transaction does not represent such a total loss as is often involved in merely commercial installment purchases or sales."

"Four important stabilizing factors of life insurance which give it permanency and solidity, with continued and relatively slight variations, are these: First, it rests firmly and soundly upon actuarial science which has investigated and definitely determined a law of averages with reference to length of life. For 100 years or more these factors have been carefully weighed and tables have been established as basic. There are, of course, some slight variations

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which are due to epidemics or other distressing conditions but there is not such a variation as is found, for example, in the operation of the so-called law of supply and demand.

#### Average Interest Rate

"Second, there is the establishment of an average interest rate on invested assets which, like that of the average length of life can be determined with a definiteness that admits of only relatively small variations and, thus, a computation can be made of a minimum rate of income from these assets which has a great degree of certainty involved in it as determined by the history of investments throughout a century. Third, there are definite public controls of life insurance of a legal and supervisory nature, which establish limitations, define standards, and require conservatism and certainty. But we now come to the fourth and even more important aspect of life insurance which differentiates it from general commercial business and that is that not profit and loss but human love becomes the motivating reason for its transactions. The one word which life insurance has developed into a great institution in the public mind is the word 'protection.' In that word there is wrapped up the very essence of a plan to take care of life.

"The variations in the aggregate of the implications of love must be very small indeed. Could we conceive of a civilization in which, in the main, and in fact with practical unanimity, there is not great love of husbands for wives, of wives for husbands and of parents for children! When these fundamentals of life, these deep-seated emotions of life, these abiding joys of life shall cease, then there will be no need of life or of life insurance.

#### The Great Distinction

"Let us get this great distinction now of the difference between commercial business and life insurance: The merchandise of commercial business is perishable goods. The merchandise of life insurance is imperishable love. The two great fundamentals of life—its main-springs—its foundational instincts—are self-preservation and self perpetuation. "The greater integrity of life insurance as a business lies, therefore, in the fact that the essential factors on which it is based are more stable than in other institutions of business. We must have the 200,000 men and women who face the public with the message of life insurance so trained that they will know this close relationship of life insurance to life, so that they can interpret the very principles of life insurance for the satisfaction of these fundamental hungers of people."

Mr. Jones' opening remarks constituted a message of appreciation for the research bureau. He said that the bureau has developed itself into a high degree of helpfulness in its 10 years. It started with 13 companies and now has contributing support from 128 companies and its services reach 18 other companies in countries other than the United States and Canada.

#### Tribute to Winslow Russell

Mr. Jones paid tribute to Winslow Russell, founder of the bureau.

The bureau is held in high favor, according to Mr. Jones, because first, it has studied the problem of life insurance sales and distribution from a scientific point of view and has been able to offer concrete, usable plans.

Secondly, the bureau has had from the beginning, he said, competent, effective and continuous direction in John Marshall Holcombe, Jr., "who has sensed the need to develop sales research and who has the intelligence and personality to bring together in a cooperative whole the leading agency officers of 142 life insurance companies."

In addition, Mr. Jones said there has been a considerable sentimental and business advantage accruing from participation in such a cooperative movement.

Life insurance, Mr. Jones said, is unique in the fact that it is the only business in the United States and Can-

ada which has a bureau designed solely for the study of sales research. "We have been through an economic boom," he declared, "and in that period of great business and life insurance expansion, the bureau has been of great service, but now that we are in a period of economic depression, there are developing some new facts and conditions. It is likely that the bureau will be of even greater assistance to us under these adverse conditions. Cooperative research in handling the problems which face management seems vital, and with ten years of experience behind it, the bureau will be able to evolve such well founded plans of management as will keep us all in better paths than we would otherwise tread."

## Trained Managers Needed for Profit

(CONTINUED FROM PAGE 2)

"We have known too little about the factors of profitability in agency management and the relation of the manager's efficiency to the value of business produced. Many of the factors are difficult to measure, for the relative profitability of various agencies depends on the type of business produced and on mortality, as well as on persistency and the cost per thousand. But we need only partial data to prove the dollar value of good management."

#### Value Shown in Figures

Comparing two agencies, classified as good and poor on the Linton standard, Mr. Kenagy showed that on \$1,000,000 of business the premium in a good agency in 20 years would be \$414,348, and in the poor agency only \$217,420. Taking account of the greater volume of the good agency the difference becomes enormous.

Training of course involves investment in men. Companies have been investing in advances with unsatisfactory results.

Another obstacle to managerial training is that the companies have not known what to tell a manager about his duties, or what to do in order to succeed. Mr. Kenagy emphasized the need for a sound plan of managerial training, in order to secure adequate production at a reasonable cost in the future.

## Benefit from 1931 Seen by Dingman

(CONTINUED FROM PAGE 3)

before the contestable period runs out, they are irrevocably on the risk.

Companies are learning that non-physical elements of insurability are vital and he said thought on this problem during the last year or two has brought about more progress in selection standards than has been made in many years.

Conservation departments are in closer touch with policyholders than ever before in an honest endeavor to insure continuation of the coverage. These economic times are giving insurance men a liberal education in what to sell, as well as how to sell.

The investment departments are being searchingly investigated by company executives who have learned the necessity this year of a proper proportion of liquidity of assets. Company men have learned that a portfolio may look eminently safe today and yet keep them sleepless a few months hence. He said the price of safety in investments is critical analysis of every security before it is bought and constant vigilance thereafter.

Company management accepts 1931 as a challenge, he said. Executives are keeping tab on volume of business and the times. The temptation is to press too hard for business. On the other side is the need for caution in selection. He said selection standards must be maintained with sympathetic attitude toward field problems and a proper bal-

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ance. Personnel also is being evaluated as never before.

"Nor should we forget that prospects are appraising agents and companies just as critically as we view them," he said. "Which is as it should be, for if our house is not in order we should make it right or quit."

"If you and I are worth appraisal from our associates, a size-up from outside in, then we are doubly worth a study from within, a careful, critical self-analysis." He said insurance men should take stock of themselves first on the score of production, whether they are proceeding as they should according to their capabilities, whether they are turning in an eight hour day. He said volume is not the only criterion; that the high pressure era is over and that while an occasional sale may be missed by low pressure methods, over a period of years insurance men gain by it.

#### Selection Also Important

Second in importance is selection. Agents owe it to their companies to give them a proper grade of business. They owe it to their policyholders that the business should not be mixed with other business which is less desirable. Third in importance is conservation. Dr. Dingman said it is service that agents sell, and it is service that they must give. Therefore they should maintain a personal interest in their clients' problems.

Fourth is investment. He said if it is important for company executives to analyze company investment portfolios it is just as important for agents to survey their own modest estates. In fact, they cannot afford not to do so.

Fifth is self-management. He said never a day should go by without careful thought to what the activities will be and whether the agents are assuming their proper obligations in society, business life and at home.

"The victor does not win by speed, but by strength, persistence and determination," he said. "This year of 1931 is just a mile in a marathon race, a difficult mile that tests our strength and persistence and determination."

"We believe in insurance more than ever we did. We are making the institution more secure than ever it was and we are going to make our beneficiaries happier than otherwise they would have been because we are insurance men."

## Medical Test of Agent Is Needed

(CONTINUED FROM PAGE 3)

"The outstanding development during the whole history of insurance medicine has been the numerical rating of medical impairments, for which we are all so greatly indebted to the pioneer work of Dr. Rogers and Mr. Hunter of the New York Life. Before the possibilities of the numerical system became apparent, the functioning of medical selection was largely advisory, arbitrary, impressionistic and relatively casual.

"So general an opinion was valuable only where two rough classifications were attempted—applicants who were insurable at a common premium rate and those who were not insurable at all. Such a division obviously created the most gross injustice.

"The numerical method, based on accurate statistical analysis and classification, was so obviously the only correct method that in a decade it had obtained practically universal acceptance in principle, and now practically universal acceptance in practice.

#### Fosters Better Relations

"One distinct and valuable corollary of the use of the numerical system by the medical department is a closer and more understanding relationship with the actuarial department.

"The agent has gained, perhaps more than anyone else, through the numerical system. He now has policies of-

ferred to him on 98 percent of his applications instead of on 85 to 90 percent. But more important still, he has uniform rulings on similar cases and not varying arbitrary decisions modified widely by personal opinion.

"Another important scientific development of home office underwriting of intense interest to the field force has been the gradual application of scientific office management to the medical and underwriting departments. It was formerly customary to issue a policy in a week or ten days, and to answer a letter in four or five days. Now it is common to have policies issued in hours instead of days after the papers have been completed, and correspondence answered within 24 hours.

"A life insurance company which is not interested in the promotion of health and longevity is a contradiction in name as well as an anachronism.

#### Sees Another Field

"There is an intensely interesting field of medical service in every life insurance home office and in the contacts of the agency organization. Lighting, heating, ventilation, physical and mental examinations before employment, periodic examinations, nursing, dietetics, and medical service—no factors are more potent in maintaining wholesome and profitable morale.

"I believe it is imperative that life insurance management should give more attention to the health of the agency personnel. Even with the obvious lesson of underwriting knowledge and association with a home office medical department, very little attempt as far as I know is made to exclude undesirable agency material from a medical selection point of view, and yet there is no industrial field where this selection is more important.

"It is unfair to the profession of life insurance salesmanship to qualify unfit men, and it is unfair to the handicapped man to put him up against a difficult profession, requiring the best of personal qualifications and training for success.

#### Co-operation Has Grown

"No development of the past twenty years has been more notable than the steadily growing understanding and appreciation between the selective underwriting and the acquisitive underwriting departments. The life insurance agent has learned a surprising amount about the technical side of underwriting, particularly the side which affects his completed sales and his income. It will be an increasingly important function of the medical department to make underwriting ratings and rulings intelligible to the agents.

"It is surprising how real an interest is shown at agency meetings in a rather technical talk on medical impairments. Modern underwriting salesmanship implies intelligent selection, as well as effective closing arguments. The best sales arguments are worthless if the prospect cannot be accepted, or cannot pay for the policy. It is worth many times the effort to give these men the many interesting and instructive sidelights on the theory and practice of scientific selection.

"Both home office and field underwriters are awakening to the fact that they are now, with the adoption of the new disability clauses, in the business of underwriting non-cancellable health and accident insurance. The tardiness of this awakening has cost millions which a better informed underwriting policy will prevent in the immediate future. More discriminating weight must be given to build, family, race, business integrity, morality, sex, occupation, relation of coverage to income, and other factors too numerous to detail here the relative emphasis on which distinguishes health and accident underwriting from life."

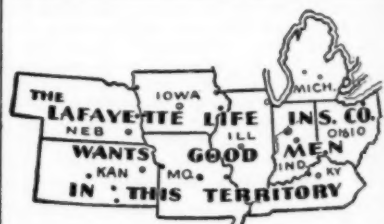
License of the **Homeland Life** of St. Louis has been canceled by the Missouri department for failure to satisfy a final judgment. This is a stipulated premium company.

## Georgia Occupation Tax Case Not to Be Reviewed by Court

The United States Supreme Court has declined to take jurisdiction in the appeal of Brannan v. W. B. Harrison, involving the validity of the occupation tax of Georgia, imposed upon insurance agents, selling industrial or accident insurance. The tax imposed on such agents is \$10 per year for each county in which they solicit. The agents maintained that the tax was exorbitant and oppressive and out of proportion with the privilege exercised and therefore without due process of law; also that the tax is arbitrarily discriminatory in that insurance adjusters must pay a tax of \$50 per year irrespective of the number of counties covered by them and furthermore that railroad ticket agents selling accident insurance are exempt entirely from this tax. The supreme court of Georgia sustained the validity of the tax and the agents appealed to the Supreme Court of the United States.

The **Franklin Life** of Springfield, Ill., has been licensed in Montana.

The **Providential Assurance** of Los Angeles has been licensed to write health, accident and life benefits on the assessment plan.



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No Better General Agent's Contract Than Our Service Pension Contract

## THE LAFAYETTE LIFE INSURANCE CO.

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# AGENCY MANAGEMENT

## Survey Shows Value of College Graduate As Whole Time Agent

Research on the part of the manpower committee, appointed last year at the meeting of the Life Agency Officers, produced the conclusion that whole time agents are of outstanding value in building a permanent agency organization. By whole time agents, the committee means those actually giving most of their time to life insurance production and not those holding whole time contracts, who are actually part time agents.

The committee was headed by M. A. Linton, president Provident Mutual, and the other members were Philip Burnet, president Continental American, and Jerome Clark, superintendent of agencies Union Central Life. The committee was assisted by Henry Bossert, Jr. Other conclusions were that new agents of 45 years of age or less, with a background of sales experience, and a college education may be expected to yield the most permanent addition to a company's agency organization.

### Seven Companies Contributed

Research was based on punch cards of the Continental American, Guardian Life, Lincoln National, Mutual Benefit, Phoenix Mutual and Provident Mutual. The Penn Mutual also contributed data. The first six companies turned over 21,000 cards.

The first chart shows the number of survivors among the various classes of agents for the six companies the first five contract years. Among the whole time agents there were 530 survivors out of 1,000 the second year; 403 the third year; 323 the fourth year and 279 the fifth.

There were 346 survivors the second year out of 1,000 intermediate agents—intermediate consisting of agents having whole time contracts, who are not devoting at least 75 percent of their business time to life insurance production. There were 226 survivors in this class the third year; 163 the fourth year and 132 the fifth. There were 442 survivors out of 1,000 part time agents the second year; 290 the third year; 201 the fourth year and 161 the fifth.

### Average Production

The average production of the whole-time agent the first year in thousands was 72; the second year, 99; third year, 121; fourth, 137; fifth, 153.

The average production of intermediate agents the first year was 21; second year, 24; third, 27; fourth, 24; fifth, 30.

The average production of part-time agents the first year was 16; second, 25; third, 31; fourth, 41; fifth, 46.

The average production of brokers the first year was 34; second, 39; third, 46; fourth, 34; fifth, 58. The aggregate production in millions of 1,000 whole-time agents of those that survived during the five years was 260, divided 72 the first year; 52 the second year; 49 the third; 44 the fourth and 43 the fifth.

The production of intermediate agents aggregated \$43,000,000, divided 21 the first; 8 the second; 6 the third; 4 the fourth; 4 the fifth.

The aggregate production of part-time agents for the five years was 51 divided 16 the first; 11 the second; 9 the third; 8 the fourth; 7 the fifth.

The aggregate production of brokers was 69, divided 34 the first; 13 the second; 11 the third; 5 the fourth; and 6 the seventh.

### During First Contract Year

The next feature of the study was production during the first contract year. Ninety percent of the whole-time agents produced their first three months; 75 percent of the intermediate agents produced their first three months; 69 percent of the part-time and 90 percent of the brokers. The second three months,

79 percent of the whole-time agents produced; 56 percent of the intermediate; 60 percent of the part-time and 28 percent of the brokers.

The first six months, 95 percent of the whole-time agents produced; 93 percent of the intermediate; 91 percent of the part-time and 96 percent of the brokers.

The second six months, 70 percent of the whole-time produced; 51 percent of the intermediate; 55 percent of the part-time and 29 percent of the brokers.

The committee pointed out that 90 percent of all whole-time agents produced some business their first three months, while another 8 percent produced for the first time during their second three months, so that only about 2 percent failed to produce during their first six months.

### Early Production Needed

The group which produced the first three months had approximately 50 percent more members remaining in the fifth year than the smaller group which did not produce until the second three months. Furthermore, the average production per agent in the first group was \$30,000 to \$40,000 greater in each of these five years than the average production per agent in the second group. This, according to the committee, leads to the conclusion that the chances of success among agents from whom no production is forthcoming during the first three months is distinctly less than among those who do produce in that period.

From the appointment of 1,000 whole-time agents, the committee finds that the second year there will probably be 329 producers of less than \$100,000; 131 producers of from \$100—\$199,000; 46 from \$200—\$299,000; 17 from \$300—\$499,000; 7 from \$500,000 and more.

The third year there will probably be 218 producers of less than \$100,000; 110 from \$100—\$199,000; 47 from \$200—\$299,000; 21 from \$300—\$499,000; 7 from \$500,000 and over.

The fourth year there will probably be 157 producers less than \$100,000; 86 from \$100—\$199,000; 49 from \$200—\$299,000; 23 from \$300—\$499,000; 8 from \$500,000 and over.

The fifth year there will probably be 122 agents producing less than \$100,000; 82 from \$100—\$199,000; 42 from \$200—\$299,000; 17 from \$300—\$499,000; 16 from \$500,000 and over.

### Thirty-six Months

The next feature was a study of the average annual rates of production the first 36 months. It showed that the first three months the average production whole-time agent was \$72,000; intermediate, \$32,000; part-time, \$20,000; brokers, \$84,000.

The second three months the average production of whole-time agents was \$80,000; intermediate, \$24,000; part-time \$16,000; brokers, \$24,000.

The second six months the average production of whole-time agents was \$68,000; intermediate, \$14,000; part-time, \$14,000; brokers, \$14,000.

The second 12 months, the average production of whole-time agents was \$99,000; intermediate, \$24,000; part-time, \$25,000; brokers, \$39,000.

The third 12 months the average production of whole-time agents was \$121,000; intermediate, \$27,000; part-time, \$31,000; brokers, \$46,000.

### Low Point Is Reached

The result, according to the committee, showed that the average agent reaches a low point in his production in his second six months. Among whole-time men the slump is not severe but among others there is a sharp drop from a high to a low before recovery sets in. "The discouragement which such a drop in an agent's rate of production brings may well account for the greater turnover among part-timers," the committee states. The drop of average production among brokers from \$84,000 during the

first three months to \$14,000 during the second six months, according to the committee, indicates the average temporary nature of brokerage business.

The next study was projection of the table, based on past experience, indicating what may be expected over a 25-year period in the matter of survivorship, average production and aggregate production. This shows that 530 whole-time agents survived the second year as compared with 442 part-time; 397 whole-time the third year and 274 part-time; 321 whole-time the fourth year and 206 part-time; 277 whole-time the fifth year and 154 part-time; 172 whole-time the tenth year and 47 part-time; 126 whole-time the 15th year and 19 part-time; 83 whole-time the 20th year and 10 part-time; 66 whole-time the 25th year and five part-time.

### Compares Two Classes

The average production of the whole-time agent the first year in thousands was 72 and part-time was 16; second year, whole-time 99, part-time 25; third year, whole-time 121, part-time 25; fourth year, whole-time 137, part-time 25; fifth year, whole-time 146, part-time 26; tenth year, whole-time 177, part-time 28; 15th year, whole-time 203, part-time 30; 20th year, whole-time 223, part-time 32; 25th year, whole-time 234, part-time 31.

In aggregate production in millions, the production of whole-time men the first year was 72, part-time 16; second year, whole-time 99, part-time 25; third year, whole-time 121, part-time 25; fourth year, whole-time 137, part-time 25; fifth year, whole-time 146, part-time 26; tenth year, whole-time 177, part-time 28; 15th year, whole-time 203, part-time 30; 20th year, whole-time 223, part-time 32; 25th year, whole-time 234, part-time 31.

The committee points out that in the fifth year the percentage of whole-time agents to part-time agents was 180 percent; in the tenth year it was 370 percent; 15th year, 660 percent, and 25th year, 1,320 percent. In other words, 66 out of 1,000 whole-time agents can be expected to survive 25 years, while only five out of 1,000 part-time agents may be expected to survive the same period.

### Part Time Level

Although the production of whole-time agents continued to rise over the entire period, the average production of part-time agents soon found its level, which was a little more than \$20,000.

In companies built along the line of an increasing production from a mixture of whole-time and part-time agents, the results, according to the committee, indicate that to maintain a healthy growth the percentage of business from new agents should be no less than 14 percent and probably closer to 20 percent.

Then the committee analyzes the value of agents according to age. Out of 1,000 men of less than 25 years of age, 385 survive the second year; 187 the fourth and 127 the sixth.

Out of 1,000 men between the ages 25-34, there were 437 survivors the second year; 224 the fourth and 148 the sixth. There were 484 survivors the second year out of 1,000 men between the ages of 35-44; 255 the fourth year and 181 the sixth. Out of 1,000 between the ages of 45-54, there were 452 survivors the second year; 249 the fourth and 174 the sixth. Above age 55, there were 400 survivors the second year; 205 the fourth and 132 the sixth.

### Less Than Age 25

The average production of agents less than age 25 the first three months was \$32,000; the second three months, \$32,000; the second six months, \$28,000; second year, \$56,000; fourth year, \$98,000; sixth year, \$117,000.

The average production of those between ages 25-34 the first three months was \$48,000; second three months, \$48,000; second six months, \$38,000; second year, \$64,000; fourth year, \$100,000; sixth year, \$123,000.

The average production of those between ages 35-44 the first three months was \$56,000; the second three months, \$52,000; the second six months, \$44,000; second year, \$64,000; fourth year \$91,000; sixth year, \$108,000.

The average production of those between ages 45-54 the first three months was \$52,000; second three months, \$44,000; second six months, \$36,000; second year, \$58,000; fourth year, \$73,000; sixth year, \$77,000.

### Above Age 55

The average of those above age 55 the first three months was \$48,000; second three months, \$32,000; second six



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He sells something that everybody needs—the protection afforded by United Life policies which contain ALL IN ONE CONTRACT:

LIFE INSURANCE WITH DOUBLE AND TRIPLE INDEMNITY FOR ACCIDENTAL DEATH.

NON-CANCELLABLE, NON-PRO-RATEABLE WEEKLY ACCIDENT INDEMNITY.

WAIVER OF PREMIUMS AND MONTHLY INCOME FOR TOTAL AND PERMANENT DISABILITY.

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THE INCOME INDEMNITY CONTRACT—THE NEVER FAILING SUBSTITUTE FOR THE SALARY CHECK

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CONCORD, NEW HAMPSHIRE

\$1,000 to \$1,600

Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000

ALL PREMIUMS RETURNED

in addition to face of policy in event death before age 60

FULL FACE THEREAFTER AND PREMIUM REDUCED 20% Original cost, age thirty, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter

If you reside in Ohio, Illinois, Indiana, Kentucky, Louisiana, Pennsylvania, Tennessee, West Virginia or the District of Columbia

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Federal Union Life

FRANK M. PETERS, President

Cincinnati, Ohio

months, \$22,000; second year, \$38,000; fourth year, \$45,000; sixth year, \$45,000.

The aggregate production in millions of those less than age 25 for the six years was 120; ages 25-34 was 156; ages 35-44 was 170; ages 45-54 was 135 and ages 55 and over was 80.

The committee points out that there is a well defined curve of increasing persistency up to age 40 and decreasing persistency thereafter.

The slump in the rate of production during an agent's second six months is more apparent as the scale of ages increases. In fact, the committee points out, the oldest group apparently does not recover for some time.

The study reveals the desirability of selecting agents at ages under 45, with the viewpoint of permanent development. Even in the youngest group, the long time results give indications of overcoming the early advantages of the older group.

#### Give Age Distribution

The committee reported the age distribution of 8,000 new agents of the six companies at the time the agents were licensed. It was: Ages 24 and under, 13 percent; 25-34, 35 percent; 35-44, 30 percent; 45-54, 15 percent; 55 and over 7 percent.

Next the committee reported on the ranking of the agents according to their previous occupation. The table follows, the first part being the relative persistencies; the second part the relative average production per agent and the third part the relative aggregate production of the several groups.

Relative Persistencies of Equal Original Nos.:		2d Yr.	4th Yr.	6th Yr.
Clerks in an insurance company office.....	1	1	1	1
Financial salesmen and bankers.....	2	2	2	2
Teachers, clergymen, Y. M. C. A. secretaries.....	3	3	3	3
Clerks other than those in insurance offices and stores.....	4	4	4	4
Secretaries of semi-civic organizations, politicians.....	5	10	10	10
Real est. dealers, retail store proprietors and executives.....	6	4	5	5
Insurance agents.....	7	3	3	3
Lawyers, doctors, scientists.....	8	12	11	11
Students.....	9	5	4	4
Salesmen other than insurance, financial and real estate.....	10	8	6	6
Any other occupation.....	11	9	9	9
Clerks in stores.....	12	11	12	12
Relative Average Production Per Agent:				
Salesmen other than insurance, financial and real estate.....	1	1	1	1
Real est. dealers, retail store proprietors and executives.....	2	4	7	7
Students.....	3	3	4	4
Clerks in stores.....	4	2	2	2
Insurance agents.....	5	7	8	8
Clerks other than those in insurance offices and stores.....	6	6	5	5
Secretaries of semi-civic organizations, politicians.....	7	10	10	10
Any other occupation.....	8	9	9	9
Teachers, clergymen, Y. M. C. A. secretaries.....	9	9	9	9
Clerks in insurance company office.....	10	8	6	6
Lawyers, doctors, scientists.....	11	11	11	11
Financial salesmen and bankers.....	12	12	12	12
Relative Aggregate Prod. of the Several Groups:				
Salesmen other than insurance, financial and real estate.....	1	2	2	2
Real est. dealers, retail store proprietors and executives.....	2	4	5	5
Students.....	3	3	3	3
Clerks in an insurance company office.....	4	1	1	1
Insurance agents.....	5	5	4	4
Clerks other than those in insurance offices and stores.....	6	6	8	8
Clerks in stores.....	7	7	6	6
Teachers, clergymen, Y. M. C. A. secretaries.....	8	8	7	7
Secretaries of semi-civic organizations, politicians.....	9	11	11	11
Financial salesmen and bankers.....	10	10	9	9
Any other occupation.....	11	9	10	10
Lawyers, doctors, scientists.....	12	12	12	12

One of the conclusions was that permanent results were had from most types of salesmen except financial salesmen, who ranked high in persistency but were relatively unproductive.

Other types of salesmen proved to be less persistent at first, but those who remained became steady, productive workers.

#### Former Insurance Clerks

Although former clerks in insurance offices were the most persistent, their average production was not large. However, it improved as time went on and led in aggregate results.

Lawyers, doctors and scientific and professional men exhibited poor results throughout. Of 7,000 new agents in this study, one-third were former insurance agents, one-fourth former salesmen of other types, one-eighth former clerks.

The next study concerned the value of agents according to their education. Out of 1,000 college graduates, 506 survived the second year; 260 the fourth and 173 the sixth. Out of college students who did not graduate, 437 survived the second year; 182 the fourth and 95 the sixth.

#### College Graduates

There were 427 survivors the second year among high school graduates; 185 the fourth year and 116 the sixth. There were 455 survivors the second year among high school students who did not graduate; 180 the fourth and 105 the sixth. There were 407 survivors the second year among grammar school graduates; 187 the fourth and 119 the sixth. There were 327 survivors the second year among less than grammar

graduates; 129 the fourth and 90 the sixth.

The average production the first year of college graduates was \$56,000; second year, \$77,000; fourth year, \$110,000; and sixth year, \$125,000.

The average production the first year of college students who did not graduate was \$45,000; second year, \$66,000; fourth year, \$88,000; sixth year, \$98,000.

The average production first year of high school graduates was \$40,000; second year, \$64,000; fourth year, \$85,000; sixth year, \$87,000.

The average production first year of high school students who did not graduate was \$41,000; second year, \$62,000; fourth year, \$98,000; sixth year, \$125,000.

The average production first year of grammar graduates was \$34,000; second year, \$50,000; fourth year, \$79,000; sixth year, \$104,000.

The average first year production of less than grammar graduates was \$21,000; second year, \$42,000; fourth year, \$80,000; sixth year, \$111,000.

#### Aggregate Production

The aggregate production in millions of college graduates in the six years was 204. College students who did not graduate, 132; high school graduates, 129; high school students who did not graduate, 137; grammar graduates, 111; less than grammar graduates, 78.

The outstanding revelation is the uniformly superior results obtained from college graduates. "There is no definite correlation of other classes of education," the committee stated, "which would justify the assertion that a high

## Tells How Agents Affect Mortality

(CONTINUED FROM PAGE 2)

The great bulk of life insurance has been bought because of a man's sense of obligation and not because the prospect is likely to gain or lose by having his family receiving more or less than the premiums paid with interest. "Responding to this normal appeal," Mr. Murphy said, "there will be huge numbers of applicants with normal health actuated by duty. Mingled with them a small portion of poor risks will also apply. A comparative simple selection method," he said, "will under these circumstances keep the poor risks from rushing in in large proportions. We should indulge ourselves in over-selection if by increasing the intensity of our methods we were to save less in extra mortality than the additional selection expense."

Mr. Murphy said that the normal situation surrounding applications for small amounts prompted a few years ago the proposal to substitute statements by the applicant for the usual medical examination. The indication of success, he said, was an excess of saving in expense over any extra mortality incurred. "It now seems clear that such insurance can be written very satisfactorily if the restrictions insisted upon keep down the opportunities for self-selection to a minimum."

#### Greater Obscurity

It is comparatively seldom, Mr. Murphy declared, that the situation arises in which insurance is bought for the reason that the result would be highly profitable to the buyer. The problem is surrounded by greater obscurity, he said. For instance there is the matter of dependent housewives. The indemnity element is negligible in this class of business. The question arises will the proportion of poor risks presented and accepted under the simple selection requirements be as small as is the case with insurance strongly induced as indemnity for loss?

The answer is that married women insuring in favor of their husbands gave a mortality of 126 percent of standard male mortality, despite the fact that in the general population women as a whole show lower death rates than men. It was also interesting that women who had not been married at the time of issue displayed a mortality of only 81 percent of male mortality.

#### Gives Mortality Results

"It has been demonstrated," Mr. Murphy said, "that when selection methods are equally severe in accepting applicants without regard to plan of insurance, resulting mortality will be lowest on the highest premium plans and highest on the lowest premium plans. Where selection is the same for all plans, self selection tips the scale in the direction to be expected. An investigation showed that married women insuring in favor of husbands experienced 144 percent of male mortality under endowment, 123 percent under limited payment life and 140 percent under ordinary life.

#### Anti-selection Exists

The matter of self selection in business insurance is of paramount importance today, he said. The term anti-selection, he said, would be better than self selection, because the life insured has in some instances little to do with the decision to insure. "The question arises out of the fact that companies cannot satisfactorily determine the extent to which the assured is the key man in the business or the amount of real loss involved in his death, and the further fact that those deciding upon the insurance are dealing in a business way with the business problems unmixed with those emotional sentiments which determine a man to protect his family. Out of such situations increased anti-selection is apt to arise.

Business insurance is also involved in

the problem of large insurance selling, he said.

He quoted the American-Canadian mortality investigation, covering the period 1900-1915, showing that policies for \$50,000 or more experienced 117 percent mortality and insurances of \$100,000 or more gave 131 percent. Since then, he said, there has been a great expansion in large cases.

#### Uses Greater Acumen

A man in deciding to take a half million or more personal insurance is deciding the question with an acumen not characteristic of the average candidate for small amounts. It may be self-knowledge of a higher order. It is evident, he said, that the usual simple requirements in selecting the risk will not do the work and reasonable extra expenses for more intensive examination and investigation should yield rich fruit in lowered mortality. He expressed the hope that efforts will be completed that are being made to balance selection against the self-selection that has arisen under modern large amount cases and to do it with a minimum of disturbance.

He mentioned the suicide situation, pointing out that this abnormal period may be largely responsible, but he added that when the holder of a very large amount of insurance meets adversity, the insurance itself may be one of the conducive circumstances, and reversals of individual fortune are ever present, even in generally prosperous periods. He suggested that the demand be made as a condition of large insurance that stability of character and business activities that makes future misfortune the remotest of possibilities.

#### Watch Financial Status

Mr. Murphy observed that the companies are watching with greater care than ever the relationship between the applicant's financial situation and his insurance program. The important fact is that a company can successfully underwrite risks only up to the point where mortality can still be kept within satisfactory limits.

"We may take as one measure of the self-selection to be expected the percentage of the applicant's income which would be required for the total insurance amount involved if all of it were on the ordinary life plan. I think most selection officers would readily grant that they could not produce a mortality from applicants whose premiums would require 25 percent to 35 percent of their incomes that would be consistent with the mortality of those whose premium requirements were 5 percent to 15 percent.

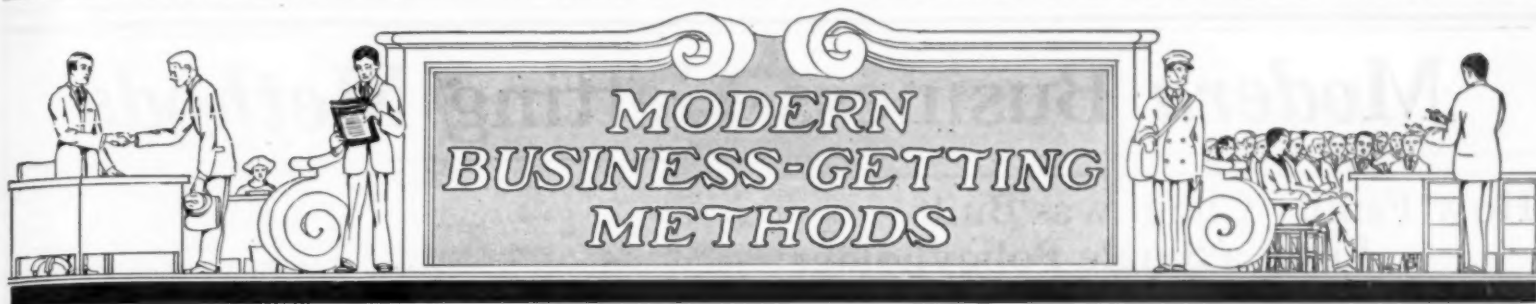
## Hosiery Man's Huge Policy Subject to Inheritance Tax

MILWAUKEE, Oct. 29.—In a decision which may set a precedent for similar cases, Judge John C. Karel declared that \$310,000 in life insurance, left by the late Edward Freschl, president of the Holeproof Hosiery company is subject to inheritance tax.

Mrs. Gertrude Freschl, the widow, has contended, through her attorney, that she had paid the premiums on the life insurance for several years, and that it was actually her insurance upon her husband's life. Testimony at the hearing, however, was to the effect that several years before his death Mr. Freschl transferred to his wife, \$200,000 in stock. It was claimed that the dividends from that stock were added to her bank account, and that she paid the insurance premiums from that account.

Judge Karel declared that the court was fully satisfied that the stock transfer was not made in contemplation of death, but that "from the testimony adduced in open court and from the entire facts and circumstances, the court is constrained to feel that the gift of stock was made for the express purpose of giving Mrs. Freschl an income to pay the insurance premiums as well as other current expenses."





## Developing Man-Power, Weeding Out Ineffectives, Biggest Factors in Success Today, Burnet Declares

"The success of a life insurance company consists chiefly in management; management consists of man power and therefore successful management consists largely of the constant and unremitting effort to recruit, train and develop man power all along the line and especially, of course, in the agency department, all of which is likely to be accomplished most effectively by placing somewhat greater emphasis than before upon the rigorous weeding out of the ineffectives after a comparatively short experimental period."

This was the conclusion of President Philip Burnet of the Continental American Life in his address "Maintaining the Equilibrium in Life Insurance Management" before the Life Agency Officers in Chicago.

Mr. Burnet started by quoting William Breiby of Fackler & Breiby, consulting actuaries, to the effect that results depend much less on age and size of a company than has been commonly supposed, but very much more on the single factor of management.

### Agency Department

In company management, one of the most important factors, and perhaps even the most important, Mr. Burnet said, is the agency department, depending on the extent to which the agency department has the opportunity and ability to deal not only with purely agency matters but also with general policies and with the conduct of the business as a whole. Selling, he pointed out, depends not alone upon selling methods, but to a very large extent upon the type and quality of the product; and the type and quality of the product is largely dependent on underwriting, administration and investment, "so that if the agency department is to function with the greatest effectiveness, it must have an eye to investment policy, administration efficiency and cost, and also to underwriting as it affects both current production and long run earning power."

The chief problem of every company, he said, is to obtain a sufficient volume of new business of sound quality to permit the company to show a steady increase of insurance in force, and to do this at a rate of expense that will not make the net cost to policyholders so high to put the company at a disadvantage in competition.

### May Be Limited

If acquisition cost is so high as to make the net cost substantially greater than the average, he said, the company must reconcile itself to the fact that its operations are apt to be limited very largely to the class of business where competition is reduced to the minimum: that is, to the country districts and to the smaller, poorer classes of business in the cities.

Although some companies follow this procedure deliberately and do so quite successfully, Mr. Burnet said the danger is that unless it is handled with exceptional skill, it may ultimately prove disastrous. There is always a tendency, he

said, for the company to find itself at a disadvantage in competition, to try to offset that disadvantage by increasing acquisition costs. But this, he said, only reduces earnings still further and puts the company at a still greater disadvantage, with the result that acquisition costs are again increased, thus further reducing earnings, and so on in a vicious circle, until the company finds itself in a position where it cannot compete at all, business declines steadily and it is finally forced to close its doors.

### Only Safe Policy

"This suggests," he said, "that the only safe policy in the long run may be to aim to supply insurance on really competitive terms, to adjust the entire operation accordingly and to think what business can be obtained within those limits. Then if enough business is not obtained to make the operation profitable, it may be better to shut up shop and quit rather than enter upon the kind of vicious circle that may turn out to be neither more nor less than a process of slow suicide lasting only until surplus funds are exhausted."

If it is decided to meet or to exceed the average of competitive results to policyholders, Mr. Burnet has suggested a procedure. He said that the net cost at the central ages of 25, 35, 45 and 55, for the second, fifth, tenth, 15th and 20th years of insurance and for all the principal policy forms of the principal companies to be met in competition should be set down. The net cost should be averaged and these averages should represent the maximum the company conducting the research can hope to obtain for its insurance.

### Allow for Interest

"Then allow for interest on reserve at the rate you can surely earn, deduct reserves, then deduct losses at the rate that seems probable and the remainder represents the outside limits that you can afford to incur for expenses of all kinds."

"Then deduct general administrative expense at the rate you believe to be sufficient, and the remainder represents the outside limits that you can incur for agency expenses for acquisition costs, both in the home office and in the field."

"Then with acquisition costs so de-

termined, it will be necessary to divide them between the home office and the field, depending on how much of the agency operation is delegated to general agents or managers and how much is to be retained by the home office. The more the home office attempts to do, the less the allowance that can be made to general agents or managers. Parenthetically, it may be observed that in actual practice this differentiation runs all the way from one extreme to the other.

### Practices Differ Widely

"Certain branch office companies centralize nearly the entire agency operation at the home office, leaving little to branch office managers except to carry out fixed and definite instructions. On the other hand, certain general agency companies do little or nothing at the home office, but leave the agency operation almost entirely in the hands of the general agents. The best policy for a particular company is likely to lie somewhere between the two extremes, depending upon the particular circumstances, but with the probability that the best results will be obtained in the long run by minimizing home office activities and leaving as much as possible to general agents or managers in order to give them as much leeway as possible and thus to develop initiative and imagination as well as strength and responsibility."

"It may be wise," Mr. Burnet said, "to allow general agents or managers a greater amount on the business of new men during their first year or two than on the business produced by the older men. This gives the general agents and managers the incentive and opportunity to recruit, train and develop new men."

The suggested procedure, Mr. Burnet pointed out, fixes standards of performance all along the line. Investments must be made to yield a net return, over and above expenses and losses, of at least the rate assumed and the calculations of prospective net costs. Underwriting must be so administered as not to interfere with current agency operations, yet to keep the loss rate within the assumed limit. The business generally must be so administered as to function smoothly and yet to keep the cost within the fixed budget. A sufficient volume of new business of good quality must be obtained to make a steady increase in the insurance in force and yet to do so within the fixed limits of acquisition cost.

Junior executives must be placed in line to take over the functions and responsibilities of the senior executives as they pass out of the picture. There must be competent and promising young

## Cheerful Factor for Each Gloomy Sign

Earl F. Colborn, general agent of the Connecticut Mutual Life in Rochester, N. Y., has some encouraging observations for life insurance men. He makes the statement that in all history, there have not been more than 50 years in which the general economic situation was any better than it is now.

Mr. Colborn lists three principal factors, which make life insurance selling more difficult today. First, there are many people who cannot pay for life insurance, but Mr. Colborn points out, there has never been a time that this has not been true; the number is a little larger today, that's all.

It is somewhat harder to get money from those who can pay. This is a factor, according to Mr. Colborn, which salesmanship can overcome.

### Negative Psychology Prevails

The salesman is operating in a social situation dominated by negative psychology, Mr. Colborn points out. It is important, therefore, for the salesman to keep himself under "positive mental control."

On the other hand, Mr. Colborn observes, "Never in the history of the world has there been so great, so immediate, so definite a need for life insurance property."

Furthermore, Mr. Colborn states that the public appreciation of life insurance has never been so great as it is now.

"Another positive factor working for the confident, aggressive salesman," Mr. Colborn says, "is that the potential competition of other bidders for the buyer's dollar tends to become more feeble to the degree to which weaker salesmen in life insurance and other lines yield to negative social psychology, and cave in. A situation that overwhelms the weak creates opportunity for the strong."

men in line to fill the junior positions. There is a great danger of neglecting this, he said, for its absence may not be noted for some time.

Mr. Burnet said that his company has obtained the best results outside of the agency department by keeping a number of young college men constantly in training in every department. As a class, he said, they develop much more rapidly and take on responsibilities much more quickly than the average clerk with merely a high school education. They must be paid more at first but that is the price that has to be paid for insurance of future manpower, he said.

Mr. Burnet agreed with Dr. Huebner that the life companies are missing a great opportunity in their neglect to work out some way to take the young college man of capacity and hold him up until he has an opportunity to develop.

In the agency field, Mr. Burnet prefers the unit system whereunder the supervisor or assistant manager, instead of looking after merely one function, such for instance as recruiting, or training or supervision is required to do all of them for his own unit, thus avoiding the

(CONTINUED ON NEXT PAGE)

## How a Millionaire Answers

### I Can Invest My Money Better Elsewhere

My reply to anyone who tells me they can invest their money to any better advantage than buying life insurance is that there are no securities of any kind that are not subjected to depreciation except life insurance. If he can show me or name any investment that he or any of his friends have made that has not depreciated in the past twelve

months, then I will show him thousands of people whose investment in life insurance has appreciated in the rising cash values and guarantee of the principal.

It isn't hard to drive this argument home since the stock market crash.—W. L. Brooks, Charlotte, N. C., manager Jefferson Standard Life.

# Modern Business-Getting Methods

## How Family Chain was Built From a Single Policyholder

The Mutual Life of New York in its agency "Points" publishes an extraordinary case where A. W. Van Houten of its Davenport agency has made an outstanding record in family group writing. Mr. Van Houten does intensive work within a family circle. In 1923 the Mutual Life called attention to his method. Then he had 24 persons in a family group insured for \$204,500. The Mutual Life has made a more recent study of his case. The family circle now embraces 83 persons with a total of \$531,500 insurance. It publishes the list not in chronological order but arranged in family groups. Each amount is the list in the total on the individual life, but in many cases the total is the aggregate of several applications. All this business was written within a 12-mile radius of the home of the first applicant. A full settlement was secured with every application. There has been but one death in this circle.

### Results of Remarkable Work

The results of this remarkable piece of work are as follows:

\$10,000 A young farmer  
2,000 His sister  
5,000 His sister's husband  
3,000 His younger brother  
3,000 His wife's father  
5,000 His wife's father's hired man  
1,000 His wife's younger sister  
10,000 His wife's older sister  
25,000 His wife's older sister's husband  
3,000 His wife's older sister's husband's hired man (cousin)  
3,000 His wife's older sister's husband's sister's husband  
8,000 His wife's mother's cousin  
5,000 His wife's mother's cousin's wife's cousin  
10,000 His wife's older sister's husband's cousin  
18,000 His wife's older sister's husband's cousin  
2,000 His wife's older sister's husband's cousin's son  
2,000 His wife's older sister's husband's cousin's son  
2,000 His wife's older sister's husband's cousin's hired man  
\*2,500 His son  
28,000 His older brother  
\*2,500 His older brother's oldest son  
\*2,500 His older brother's second son  
2,000 His older brother's hired man  
10,000 His older brother's hired man  
5,000 His older brother's hired man's brother  
8,000 His older brother's hired man's second brother  
5,000 His older brother's hired man's third brother  
3,000 His older brother's hired man's fourth brother  
5,000 His older brother's hired man's fifth brother  
3,000 His older brother's hired man's sixth brother  
3,000 His older brother's hired man's cousin's husband  
5,000 His older brother's father-in-law  
3,000 His older brother's father-in-law's hired man  
15,000 His older brother's wife's brother  
12,000 His older brother's wife's brother  
15,000 His older brother's wife's sister's husband  
\*2,500 His older brother's wife's sister's son  
\*\*20,000 His older brother's wife's sister's husband's youngest brother  
15,000 His older brother's wife's sister's husband's older brother  
2,000 His older brother's wife's sister's husband's older brother's son  
3,000 His older brother's wife's sister's husband's older brother's son  
10,000 His older brother's wife's sister's husband's older brother

5,000 His older brother's wife's sister's husband's older brother's wife  
2,000 His older brother's wife's sister's husband's older brother's hired man  
10,000 His older brother's wife's sister's husband  
10,000 His older brother's wife's sister's husband's brother  
5,000 His older brother's wife's sister's twin sister's husband  
5,000 His older brother's wife's sister's husband  
5,000 His older brother's wife's youngest sister's husband  
1,000 His older brother's wife's mother's cousin's son  
3,000 His older brother's wife's mother's cousin  
2,000 His older brother's wife's mother's cousin's hired man  
15,000 His older brother's wife's mother's cousin's daughter's husband  
5,000 His older brother's wife's father's cousin's son  
2,000 His older brother's wife's father's cousin's son's hired man  
5,000 His older brother's wife's father's sister's husband  
1,000 His older brother's wife's father's sister's husband's hired man  
2,000 His older brother's wife's father's sister's daughter  
5,000 His older brother's wife's father's sister's oldest son  
5,000 His older brother's wife's father's sister's second son  
5,000 His older brother's wife's father's sister's third son  
5,000 His older brother's wife's father's sister's fourth son  
2,000 His cousin's wife's brother's father-in-law  
3,000 His cousin's cousin  
4,000 His cousin's cousin's brother  
10,000 His cousin's cousin's husband  
3,000 His cousin's cousin's son  
2,000 His cousin's cousin's oldest son  
10,000 His cousin's cousin's husband's cousin  
25,000 His cousin's cousin's husband's cousin's husband  
2,500 His cousin's cousin's husband's cousin's husband's cousin

12,500 His cousin's cousin's husband's brother  
2,500 His cousin's cousin's husband's brother's son  
15,000 His cousin's cousin's husband's brother's nephew's wife's sister's husband  
5,000 His cousin's cousin's husband's cousin  
5,000 His cousin's cousin's husband's cousin's older son  
5,000 His cousin's cousin's husband's cousin's younger son  
6,000 His cousin's cousin's husband's cousin's son-in-law  
5,000 His cousin's cousin's husband's cousin's son  
3,000 His cousin's cousin's husband's cousin's son  
3,000 His cousin's cousin's husband's cousin's son  
3,000 His cousin's cousin's husband's cousin's son  
3,000 His cousin's cousin's husband's cousin's son

\*\*Deceased  
\*Members of the third generation

## Wright Warns Agents of Depression Used as Alibi

A great many prospects are taking advantage of the so-called depression and are magnifying the bad condition of their finances when the insurance man calls in order to discourage him, Harry T. Wright, associate agency manager of the Equitable of New York in Chicago, told the Pittsburgh Life Underwriters Association at its first fall meeting.

### New Tricks Not Needed

"I believe a great many insurance men do not realize that the men to whom they are talking are exaggerating how badly off they are financially in order to discourage any one who is endeavoring to negotiate additional insurance for them," Mr. Wright said. "I do not believe we should take these things seriously as it results in their selling us an idea rather than our selling them a need."

Mr. Wright said it is not necessary to have new tricks to give a man a picture as to what he would like to accomplish with insurance. While business

may be hard to get now, certainly the need is greater than ever before, he said. If a man's attention is called to the particular situation in his case, he will be glad to make an effort to cover it.

Mr. Wright's slogan for years has been "See more people this year than last," and he has built a very large volume of renewals by consistently following it. For many years he has kept an accurate record of every call he has made and the result. He says he has made a game of it, the same as trying to beat one's golf handicap, and this has been tremendously helpful to him.

### Results Depend on Work

"I find that usually my business is determined by the work that I put in," he said. "Approximately 80 percent of my business last year was on old clients and about 65 percent of the cases were closed in my office. In this way a real opportunity is afforded to discuss the matter without interruption and the man as a matter of fact has disposed of it in a shorter period of time than he could at his own office and under the proper conditions."

Mr. Wright said he has observed that a great many producers are taking advantage of the situation and are not working nearly as hard or seeing nearly as many people as they did last year, which of course he said results in less business, and that is not surprising. He said he has known a great many large producers in this country and without exception they are the hardest workers and enjoy their work more than men writing a mediocre amount of insurance.

### Service New Keynote

Mr. Wright believes that if an insurance man is on the square and takes the proper care of his clients, doing business with a large number of people, the law of average will result in developing a substantial amount of business and these people will look to the man who has been taking care of them to handle their insurance.

He said there is a great deal more detail and service to policyholders required at this particular time, and the average insurance man with a reasonably large clientele probably could spend all day simply servicing clients. It is therefore more necessary than ever to keep a record in order that enough interviews may be made to keep up the quota of new insurance writing. He said if an accurate record is not kept, the average insurance man will be surprised to learn how few people he really sees.

In the last five years he has averaged 112 cases a year, or more than two a week. He is one of the better known "millionaires" of this country and has been in this class for many years. In 1926 his 126 paid cases averaged about \$15,000.

## Developing Man-Power Big Need Today, Burnet Asserts

(CONT'D FROM PRECEDING PAGE)

divided responsibility which Mr. Burnet feels results unfortunately.

Mr. Burnet believes that enough emphasis has not been placed on the necessity for increasing employment turnover. If the "individual doesn't fit, it is not kindness to him, Mr. Burnet said and it is a very great loss to the companies, to keep him hanging on after it is once apparent that he is not adapted to the work.

G. H. Tomlinson, for many years an examiner in the Indiana insurance department, has resigned.

## Organized Sales Methods Are Recommended for Life Men

An appeal for more intelligence, integrity and industry in the life insurance selling profession was sounded by P. H. Young of Des Moines, superintendent of agents of the Central Life of Iowa, to life agents at Mason City and Marshalltown, Ia., recently.

"As I view the development in our business," Mr. Young said, "the experienced salesman using worn out methods that produced results 10, 15 and 20 years ago will be as much out of date as a Model 'T' Ford. Those using modern sales methods are producing."

Mr. Young recommended to his listeners organized sales presentations and showed their value.

### Organized Sales Presentation

"We are living in a so-called machine age," he said. "Therefore, it is necessary for the agent to be considerate of his prospects' time. Work should not only be planned, but the agent should know exactly what he is going to say prior to the actual interview. Keep in mind, however, that there is quite a difference between a so-called standardized sales talk and an organized sales presentation. In an organized sales presentation, you base what you say to the prospect on what you know about him. You

anticipate completely that agents using organized sales presentations produce more business than those who rely entirely upon their wits during the interview.

"Know what you are going to say and where to lay emphasis. Keep in mind that the selling factor in any sales presentation is what is said and not how much."

### Getting at Primary Needs

Stressing the necessity of each policy sold fulfilling a definite need, Mr. Young cited several instances of hardships and injustices suffered where agents did not use their influence to see that primary needs are provided for. "It is up to all of us," he said, "to exercise every precaution in seeing that all money left through the medium of life insurance is payable so as to accomplish the greatest amount of good."

In discussing industry, Mr. Young said: "Many seasoned life insurance salesmen who have a fair-sized renewal income are resting on past laurels and watching the new men—the energetic agent—producing a nice volume, not realizing that the chances are nine to one that his lost momentum can never be restored."



### *A Few Policy Contracts*

Endowment at Age Sixty-Five.  
20 payment  
Continuous Premiums  
Multiple Option (Coupon Policy).  
Central Life Select Risk Ordinary Life  
Modified Ordinary Life.  
Modified Term Expectancy.  
Continuous Monthly Instalment.  
Guaranteed Retirement Income at ages 55-60-65.  
Juvenile Twenty Pay Endowment at Age Eighty-five.  
Juvenile Endowments maturing at any specified ages between sixteen and twenty-one.  
Five Year Term With Automatic Conversion to Ordinary Life.  
All regular Policy forms written in addition to above special policies.

■ ■

### *Location*

The Home Office of the Central Life is located in the Central Life Building at 720 North Michigan Avenue, Chicago, occupying five floors of a sixteen story building owned without incumbrance by the Company.

Our Central location enables us to serve promptly all territories.

■ ■

### *Affiliations*

OUR PROGRESSIVENESS is manifested through our active participation with co-operative groups interested in the modern trend of Life Insurance. The Company or its officers are members of the following:

Life Presidents' Association  
Life Insurance Sales Research Bureau  
Life Agency Officers Association  
American Life Convention  
a. Medical Section  
b. Legal Section  
c. Office Management Section  
American Institute of Actuaries  
Actuarial Society of America  
Association of Life Underwriters  
Life Office Methods Association  
Life Office Management Association

■ ■

### *Clubs and Contests*

The One Hundred Thousand Dollar Club—the Aristocracy of the Central Life.

The Marathon Club—The App-a-Week Producers of the Company. The Company believes in occasional Contests so arranged that large and small producers alike can win.



# CENTRAL LIFE INSURANCE COMPANY OF ILLINOIS CHICAGO

★ ★ ★

ALFRED MACARTHUR : *President*  
R. E. IRISH : : : *Vice President*

**T**HE Central Life Insurance Company is agency-minded. Aggressive field trained executives with years of actual experience behind them direct this twenty-two-year-old organization.

The remarkable strides in growth taken by this Old Line Legal Reserve Company are attributed largely to the harmony existing between the Home Office and the field.

★ ★ ★

### *Underwriting Facilities*

Participating Life Insurance.  
Non-Participating Life Insurance.  
Annuities—immediate and deferred.  
All Non-Participating policies participate when paid up.  
A broad selection of policy contracts.  
Policy contracts free from restrictions.  
Policy contracts free from technicalities.  
Cash value available at the end of second year.  
Automatic premium loan privilege keeps business in force.  
Juvenile policies.  
Issued from birth.  
Full benefits at age five.  
Settlement options unbeatable.  
Age limits one day to sixty-five.  
Non-Medical business up to three thousand dollars.  
Excess interest paid on funds left with the company.

■ ■

### *Agency Contract*

Liberal First Year Commissions.  
Non-forfeitable renewals.  
All contracts direct with company.  
Home Office Agency.  
Service Department.

■ ■

### *You Can Meet Competition With These Strong Contracts*

*Special Select Risk,  
Ordinary Life Non-Participating*  
Rate Age 35—19.71

*Modified Term Expectancy*  
Rate Age 35—14.03

A special 31 year term policy with cash, loan, paid-up and extended insurance values, conversion privilege without examination within 26 years.

■ ■

### *Educational Department*

A thorough training course for the new man.  
Group meetings held at intervals at the various Agencies.  
Definite training for Agency Managers.



Left: Wrigley Field, home of the Chicago Cubs. Here thousands of baseball fans gather in season to cheer on the city's National League diamond heroes. "Play ball!"

Photo courtesy Chicago Daily News



Soldier Field, dedicated in 1926, scene of many brilliant outdoor spectacles. Much football history has been made here. Field Museum appears in center background. . . .



Scene at Diversey Beach, Lincoln Park, on the near north side. Chicagoans go down to their "front yard" for swimming and boating. . .



A quiet day on the beach. Sometimes Chicago's beaches are crowded with nearly a quarter of a million people. . . .

## A City at Play

RECREATION is "re-creation." Mind and body to perform efficiently require rest and play. The well-organized city accepts as a duty the making possible of these necessary functions. Chicago affords Chicagoans a host of recreational advantages. Parks, playgrounds, athletic fields, tennis courts, golf courses, beaches and bridle-paths are but a few. These facilities furnished by the city, plus privately operated amusements, allow Chicagoans ample opportunity for fun and relaxation. And these privileges, be it known, are not neglected! Chicago plays as Chicago works—hard, enthusiastically and intelligently. . . .

ILLINOIS LIFE INSURANCE CO.

ILLINOIS LIFE BUILDING CHICAGO 1212 LAKE SHORE DRIVE

Raymond W. Stevens, President

CHICAGO

A Good Place to Live  
A Good Place to Work